

Md. considers action on insurance pullout

by *delawareonline.com*

Lawmaker wants to stop companies from refusing coverage in coastal areas

Maryland lawmakers are considering legislation that would prevent insurers from refusing to issue policies to homeowners along coastal areas expected to be hit hard by future hurricanes.

Allstate Corp., citing concerns that a warmer Atlantic Ocean will lead to more intense hurricanes hitting the region, said last month that in February it will stop writing homeowners policies in counties along the Chesapeake Bay. The company said it will continue to renew existing policies.

The move affects Maryland residents in Calvert, Dorchester, Somerset, St. Mary's, Talbot, Wicomico and Worcester counties, and parts of Anne Arundel, Charles, Prince George's and Queen Anne's counties.

In August, hundreds of coastal Sussex County homeowners and commercial property owners were left scrambling to find a new insurance provider after Westfield Insurance Co., concerned about potential storm losses, decided to cancel their coverage.

In December, Allstate said it would stop writing new homeowners, condo, mobile home and landlord insurance policies in Delaware in response to the hurricane threat.

State Rep. Donna Stone, R-Dover, the chairwoman of the House Committee on Economic Development, Banking and Insurance, said no similar legislation is planned in Delaware. But she added, "We're still new in this session."

Maryland Delegate Joseph "Sonny" Minnick told The (Annapolis) Capital he plans to introduce a bill this year that would require insurers to sell policies throughout the whole state.

"If you want to sell homeowners insurance in Maryland, that's fine," the Baltimore County Democrat said. "You can't cherry-pick where you want."

Allstate is following a national trend. Stung by losses from major storms including Hurricane Andrew in 1992 and Hurricane Katrina in 2005, insurance companies have been raising rates or dropping coverage in southern coastal areas, particularly Florida. With many scientists predicting an upturn in the frequency and intensity of hurricanes, the trend is spreading north.

Allstate also decided recently not to write new homeowners policies in all of Delaware, Connecticut and New Jersey, and parts of Virginia. And it's letting thousands of policies lapse in the Carolinas, New York and Texas.

NO PROPERTY INSURANCE?

Homeowners and commercial property owners who recently lost insurance should immediately seek alternative coverage from another insurer.

If no other company will sell property insurance, people can turn to the Delaware FAIR Plan at (800) 462-4972 or www.defairplan.com. To contact the state insurance commissioner, call 674-7300.

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