



530402

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/05/2011	.	
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	.	

The Committee on Rules (Smith) recommended the following:

1 **Senate Substitute for Amendment (901222) (with title**
2 **amendment)**

3
4 Delete lines 2583 - 2596
5 and insert:

6 (b) For personal property:

7 1. The insurer must offer coverage under which the insurer
8 is obligated to pay the replacement cost without reservation or
9 holdback for any depreciation in value, whether or not the
10 insured replaces the property.

11 2. The insurer may also offer coverage under which the
12 insurer may limit the initial payment to the actual cash value
13 of the personal property to be replaced, require the insured to



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14 provide receipts for the purchase of the property financed by
15 the initial payment, use such receipts to make the next payment
16 requested by the insured for the replacement of insured
17 property, and continue this process until the insured remits all
18 receipts up to the policy limits for replacement costs. The
19 insurer must provide clear notice of this process in the
20 insurance contract. The insurer may not require the policyholder
21 to advance payment for the replaced property, ~~the insurer shall~~
22 ~~pay the replacement cost without reservation or holdback of any~~
23 ~~depreciation in value, whether or not the insured replaces or~~
24 ~~repairs the dwelling or property.~~

25
26 ===== T I T L E A M E N D M E N T =====

27 And the title is amended as follows:

28 Delete line 154

29 and insert:

30 repairs and expenses; requiring the insurer to offer
31 coverage under which the insurer is obligated to pay
32 replacement costs; authorizing the insurer to offer
33 coverage that limits