The Committee on Rules (Smith) recommended the following:

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

Delete lines 2583 - 2596 and insert:

(b) For personal property:

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

2. The insurer may also offer coverage under which the insurer may limit the initial payment to the actual cash value of the personal property to be replaced, require the insured to
provide receipts for the purchase of the property financed by the initial payment, use such receipts to make the next payment requested by the insured for the replacement of insured property, and continue this process until the insured remits all receipts up to the policy limits for replacement costs. The insurer must provide clear notice of this process in the insurance contract. The insurer may not require the policyholder to advance payment for the replaced property, the insurer shall pay the replacement cost without reservation or holdback of any depreciation in value, whether or not the insured replaces or repairs the dwelling or property.

And the title is amended as follows:

Delete line 154

and insert:

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

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