



HOMEOWNER INSURERS MUST OFFER COVERAGE FOR SEWER BACKUP LOSSES

During the 2008 legislative session, Maryland's General Assembly enacted HB 72 regarding homeowner's coverage for water and sewer backup losses. For some time, §19-202 of the Insurance Article has required private insurers that sell homeowner' insurance policies in Maryland to offer water and sewer backup coverage. Unfortunately, most insurers were offering the coverage only if the homeowner requested it. Effective October 1, 2008, all homeowner insurers that sell policies in Maryland must offer this coverage to policyholders in writing by certified mail within 7 days after the policy is initially placed or at the time of each renewal.

Sewer systems are not closed systems and are subject to vandalism, mishandling by users and unavoidable occurrences which may cause a backup despite the most rigorous maintenance program. Local governments are not automatically liable for these losses.

Homeowners can protect themselves from unavoidable backups that may occur (even if the problem is in their own line) by purchasing the coverage which must be offered by their homeowner insurer.