

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0737/2dn
PJK:kjf:ph

November 24, 2008

Just to refresh your memory, I am providing portions of a drafter's note that was included with the first version of this bill draft last session. You chose number 4 of the options in the first paragraph. That is why the first draft you received this session allowed an insurer to agree in the policy to indemnify the insured for cosmetic modifications to undamaged portions of the property. From last session:

You could treat the requirement in this draft in any of the following ways: 1) require an insurer to comply with the payment requirement always, if it is not inconsistent with any policy provisions; 2) require an insurer to comply with the payment requirement always by making it a policy provision; 3) require an insurer to comply with the payment requirement only if the insured requests it at the time of the repair and it is not inconsistent with any policy provisions; or 4) require an insurer to comply with the payment requirement only if the insured requests that it be made a part of the policy when the policy is issued or renewed, similar to s. 632.05 (1).

Since the requirement in this draft will most likely increase premiums, choosing option #1 or #2 above will increase premiums for everyone who buys property insurance. Choosing option #3 above will most likely increase premiums for everyone, too, since an insurer will never know in advance when the "extended" coverage might be requested. Some insureds might not care about minor differences resulting from repairs or might not want to pay a higher premium; choosing option #4 above is more likely to give persons buying property insurance a choice between higher premiums and the "extended" coverage.

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