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HOUSE BILL NO. 1257

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Labor and Commerce

on _____)

(Patron Prior to Substitute--Delegate Milde)

A BILL to amend and reenact § 38.2-2120 of the Code of Virginia, relating to insurance; optional coverage for the diminished value of personal property.

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-2120 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-2120. Optional coverage to be offered with homeowner's policy.

A. Any insurer who issues or delivers a new or renewal homeowner's insurance policy in this Commonwealth shall offer as an option a provision insuring against loss caused or resulting from water which backs up through sewers or drains.

B. Any insurer who issues or delivers a new or renewal homeowner's insurance policy or a stand-alone policy that covers scheduled personal property in the Commonwealth shall offer in writing a provision providing coverage for the diminution in the value of any such scheduled personal property, if the schedule provides for the repair of such property. The diminution in value of the personal property shall be the amount, if any, by which the market value of the personal property immediately following the completion of repair of the damage to the personal property is less than the market value of the personal property immediately prior to the damage and the change in market value is a direct result of damage from the covered loss. The provisions of this subsection shall apply to every such policy that is issued, delivered, or renewed by an insurer licensed in the Commonwealth on or after July 1, 2025.

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