

110TH CONGRESS  
1ST SESSION

# S. 1061

To require insurance companies to fully disclose insurance coverage and noncoverage of homeowners' insurance policies, to provide for enforcement by the Federal Trade Commission, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 29, 2007

Mr. LOTT introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To require insurance companies to fully disclose insurance coverage and noncoverage of homeowners' insurance policies, to provide for enforcement by the Federal Trade Commission, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Homeowners’ Insur-  
5       ance Noncoverage Disclosure Act”.

1 **SEC. 2. REQUIRED DISCLOSURE OF NONCOVERAGE IN**  
2 **HOMEOWNERS' INSURANCE POLICIES.**

3 (a) IN GENERAL.—Each individual homeowner's pol-  
4 icy written by a State-registered insurance company shall  
5 include on the front or first page of the policy a “Noncov-  
6 erage Disclosure” box restating in plain English, in bold  
7 font twice the size of the text in the body of the policy,  
8 all conditions, exclusions, and other limitations pertaining  
9 to coverage under that policy, regardless of the underlying  
10 insurance product in question.

11 (b) REGULATIONS.—Not later than 180 days after  
12 the date of the enactment of this Act, the Federal Trade  
13 Commission shall promulgate such regulations as may be  
14 necessary to carry out the provisions of this Act.

15 **SEC. 3. ENFORCEMENT.**

16 (a) IN GENERAL.—Any failure to comply with the  
17 provisions of section 2 shall be treated as a violation of  
18 a regulation under section 18(a)(1)(B) of the Federal  
19 Trade Commission Act (15 U.S.C. 57a(a)(1)(B)) regard-  
20 ing unfair or deceptive acts or practices.

21 (b) POWERS OF FEDERAL TRADE COMMISSION.—

22 (1) IN GENERAL.—The Federal Trade Commis-  
23 sion shall prevent any person from violating this  
24 Act, and any regulation promulgated thereunder, in  
25 the same manner, by the same means, and with the  
26 same jurisdiction, powers, and duties as though all

1 applicable terms and provisions of the Federal Trade  
2 Commission Act (15 U.S.C. 41 et seq.) were incor-  
3 porated into and made a part of this Act.

4 (2) PENALTIES.—Any person who violates regu-  
5 lations promulgated under this Act shall be subject  
6 to the penalties and entitled to the privileges and  
7 immunities provided in the Federal Trade Commis-  
8 sion Act in the same manner, by the same means,  
9 and with the same jurisdiction, power, and duties as  
10 though all applicable terms and provisions of the  
11 Federal Trade Commission Act were incorporated  
12 into and made part of this Act.

13 (c) AUTHORITY PRESERVED.—Nothing in this Act  
14 shall be construed to limit the authority of the Federal  
15 Trade Commission under any other provision of law.

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