



SPONSOR: Rep. Bush & Sen. Paradee
Reps. Matthews, Spiegelman

HOUSE OF REPRESENTATIVES
150th GENERAL ASSEMBLY

HOUSE BILL NO. 276

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO ASSIGNABILITY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 2720, Title 18, of the Delaware Code by making insertions as shown by underlining and
2 deletions as shown by strike through as follows:

3 § 2720 Assignability

4 (a) A policy and its rights and benefits may be assignable or not assignable, as provided by its terms.

5 (b) Subject to its terms relating to assignability, a life or health insurance policy and its rights and benefits,
6 whether heretofore or hereafter issued, under the terms of which the beneficiary may be changed upon the sole request of
7 the insured or owner may be assigned either by pledge or transfer of title by an assignment executed by the insured or
8 owner alone and delivered to the insurer, whether or not the pledgee or assignee is the insurer.

9 (c) Subject to its terms relating to assignability, a property insurance policy and its rights and benefits, whether
10 heretofore or hereafter issued, under the terms of which the policy and its rights and benefits are assignable, may provide
11 that the rights and benefits under the insurance policy may only be assigned to a person who has the legal authority to
12 represent the named insured, and may explicitly prohibit assignment of rights and benefits to any other person, including a
13 property repair contractor, even if the property repair contractor has obtained power of attorney from the named insured.
14 For purposes of this subsection, having "legal authority to represent the named insured" includes the person named by the
15 named insured as having the named insured's power of attorney, the person who is the named insured's licensed public
16 adjuster, or any other comparable person.

17 (d) Any ~~such~~ assignment pursuant to subsection (b) or (c) of this section shall entitle the insurer to deal with the
18 assignee as the owner or pledgee of the policy or its rights and benefits in accordance with the terms of the assignment until
19 the insurer has received at its home office written notice of termination of the assignment or pledge or written notice by or
20 on behalf of some other person claiming some interest in the policy or its rights and benefits in conflict with the
21 assignment.

SYNOPSIS

This bill adds a provision addressing the assignability of rights under property insurance policies and authorizes a property insurance carrier to limit a policy's assignability only to those persons or entities that have the legal authority to represent an insured.