



SPONSOR: Sen. Mantzavinos & Rep. Bush
Sens. Ennis, Hansen, Paradee, Richardson, Sokola,
Walsh; Reps. Baumbach, Brady, Spiegelman

DELAWARE STATE SENATE
151st GENERAL ASSEMBLY

SENATE BILL NO. 80

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

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

Section 1. Amend Chapter 27, Title 18 of the Delaware Code by making insertions as shown by underlining and deletions as shown by strike through as follows:

§ 2720 Assignability

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

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

(c) Subject to its terms relating to assignability, a property insurance policy, whether heretofore or hereafter issued, under the terms of which the policy and its rights and benefits are assignable, may provide that the rights and benefits under the insurance policy may only be assigned to a person who has the legal authority to represent the named insured and may explicitly prohibit assignment of rights and benefits to any other person, including a property repair contractor. For purposes of this subsection, having "legal authority to represent the named insured" includes the person named by the named insured as having the named insured's power of attorney, the person who is the named insured's licensed public adjuster, or any other comparable person. Property repair contractors operating in this State may not subvert the public adjuster licensing requirements in § 1751 of this title through the acquisition of a power of attorney from the named insured.

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

SYNOPSIS

This Act 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.

This Act also makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.

Author: Senator Mantzavinos