Department of Legislative Services

Maryland General Assembly 1999 Session

FISCAL NOTE Revised

Senate Bill 107 (Senator Kasemever)

Finance

Insurance - Motor Vehicles - Reimbursement for the Rental of Specially Equipped Motor Vehicles

This bill requires an insurer that issues an insurance policy, which includes a provision for cost reimbursement of a rental vehicle, covering a motor vehicle equipped for the transportation of or operation by an individual with a disability to provide a daily rental reimbursement rate of up to \$100, for a maximum of \$1,500 per policy period, for an insured to rent a similarly equipped motor vehicle to the covered motor vehicle. The insurer may charge an appropriate premium for this coverage.

Fiscal Summary

State Effect: Indeterminate increase in special fund revenues in FY 2000 due to one-time fees collected by the Maryland Insurance Administration. Any increase in insurance premium taxes is assumed to be negligible.

Maryland Automobile Insurance Fund (MAIF): Nominal increase in expenditures.

Local Effect: None.

Small Business Effect: Potential minimal impact on small business.

Fiscal Analysis

State Revenues: Special fund revenues could increase by an indeterminate amount since auto insurance companies would be subject to \$125 rate and form filings fees by the Maryland Insurance Administration. The number of insurers who will file new rates and forms solely as a result of this bill cannot be reliably estimated at this time, since rate and

form filings often combine several rate and policy amendments at one time. The Maryland Insurance Administration estimates that about 50 independent personal auto insurers will need to file revised forms.

Premiums for rental reimbursement coverage for specially equipped vehicles may increase. However, this coverage is optional and it is assumed that there are relatively few specially equipped vehicles in use. Thus, any resulting increase in revenues from the 2% premium tax is assumed to be negligible.

Maryland Automobile Insurance Fund (MAIF): MAIF expenditures may increase nominally for rental reimbursements. MAIF does not provide rental reimbursements for collision claims or sell rental reimbursements. MAIF provides rental reimbursement only on stolen vehicle and uninsured motorist property damage claims.

Information Source(s): Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - February 1, 1999

mld/jr Revised - Senate Third Reader - March 27, 1999

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