
By: **Senator Jones**

Introduced and read first time: February 15, 2006

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Commission to Study Homeowner's and Private Passenger Motor Vehicle**
3 **Insurance Rates**

4 FOR the purpose of establishing a Commission to Study Homeowner's and Private
5 Passenger Motor Vehicle Insurance Rates; specifying the membership of the
6 Commission; requiring the President of the Senate and the Speaker of the
7 House jointly to designate the chair of the Commission; providing for staff for
8 the Commission; prohibiting a member of the Commission from receiving
9 compensation as a member of the Commission; authorizing a member of the
10 Commission to receive reimbursement for certain expenses; establishing the
11 duties of the Commission; requiring the Commission to report its findings and
12 recommendations to the Governor and the General Assembly on or before a
13 certain date; providing for the termination of this Act; and generally relating to
14 the establishment of a Commission to Study Homeowner's and Private
15 Passenger Motor Vehicle Insurance Rates.

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That:

18 (a) There is a Commission to Study Homeowner's and Private Passenger
19 Motor Vehicle Insurance Rates.

20 (b) The Commission consists of the following members:

21 (1) two members of the Senate of Maryland, appointed by the President
22 of the Senate;

23 (2) two members of the House of Delegates, appointed by the Speaker of
24 the House;

25 (3) the Maryland Insurance Commissioner, or the Commissioner's
26 designee;

27 (4) the People's Insurance Counsel, or the Counsel's designee;

28 (5) a representative of an insurer that sells homeowner's insurance in
29 the State, appointed by the Governor;

1 (6) a representative of an insurer that sells private passenger motor
2 vehicle insurance in the State, appointed by the Governor;

3 (7) a representative of a rating organization licensed for property and
4 casualty insurance under § 11-218 of the Insurance Article, appointed by the
5 Governor; and

6 (8) two consumer members, one who represents homeowner's insurance
7 policyholders in the State and one who represents private passenger motor vehicle
8 insurance policyholders in the State, appointed by the Governor.

9 (c) The President of the Senate and the Speaker of the House jointly shall
10 designate the chair of the Commission.

11 (d) The Department of Legislative Services shall provide staff for the
12 Commission.

13 (e) A member of the Commission:

14 (1) may not receive compensation as a member of the Commission; but

15 (2) is entitled to reimbursement for expenses under the Standard State
16 Travel Regulations, as provided in the State budget.

17 (f) The Commission shall:

18 (1) conduct a survey and analysis of the availability and affordability of
19 homeowner's and private passenger motor vehicle insurance in the State;

20 (2) conduct a review and analysis of trends in premium rates for
21 homeowner's and private passenger motor vehicle insurance, both statewide and by
22 geographic region of the State;

23 (3) evaluate the impact on premium rates for homeowner's and private
24 passenger motor vehicle insurance of natural disasters, including hurricanes,
25 earthquakes, and forest fires, that occur outside of the State;

26 (4) evaluate whether the current rate making systems, both prior
27 approval and competitive rating, used to establish premium rates for homeowner's
28 and private passenger motor vehicle insurance result in rates that are fair and
29 equitable to consumers in the State; and

30 (5) make recommendations for legislative changes to State rate making
31 laws that are necessary to make homeowner's and private passenger motor vehicle
32 insurance more affordable and available to consumers in the State.

33 (g) On or before January 1, 2007, the Commission shall report its findings and
34 recommendations to the Governor and, in accordance with § 2-1246 of the State
35 Government Article, the General Assembly.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2006. It shall remain effective for a period of 1 year and, at the end of May 31,
3 2007, with no further action required by the General Assembly, this Act shall be
4 abrogated and of no further force and effect.