

SB0290/877273/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 290
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “Senator Middleton” and substitute “Senators Middleton, Astle, Benson, Feldman, Hershey, Jennings, Klausmeier, Mathias, Reilly, Rosapepe, and Oaks”; in line 2, strike “Maryland Automobile Insurance Fund –”; in line 3, strike “Eligibility and Producer Charge” and substitute “Placement and Reinstatement”; strike beginning with “authorizing” in line 4 down through “policy” in line 9 and substitute “authorizing a certain motor vehicle insurer and the Maryland Automobile Insurance Fund to reinstate a certain private passenger motor vehicle liability insurance policy in a certain manner under certain circumstances; requiring a policyholder to provide to a certain insurer and the Fund a certain certification in a certain form and manner and at a certain time; requiring a certain reinstatement to be implemented in accordance with certain guidelines; providing that a certain reinstatement is subject to certain provisions of law; providing that a premium finance company is not required to reinstate a policy under certain circumstances”; in line 11, after “Fund;” insert “providing that a certain provision of law does not prohibit a certain insurer or the Fund from charging and collecting a certain fee for a certain reinstatement of a private passenger motor vehicle liability insurance policy; providing that a certain provision of law does not prohibit a licensed insurance producer or a fund producer from charging and collecting a certain fee for a certain reinstatement of a private passenger motor vehicle liability insurance policy; requiring the Maryland Insurance Commissioner to review certain expenses; authorizing the Commissioner to approve certain reinstatement fees;”; in line 12, strike “Fund and” and substitute “placement and reinstatement of”; in line 15, strike “20-502(a) and (b) and”; in line 20, strike “20-502(d) and”; in the same line, after “27-216(b)(1)” insert “and 27-501(a)”; and after line 12, insert:

“BY adding to

(Over)

Article – Insurance
Section 19-519, 23-311, and 27-216(b)(4)
Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)”.

AMENDMENT NO. 2

On pages 1 through 3, strike in their entirety the lines beginning with line 26 on page 1 through line 12 on page 3, inclusive, and substitute:

“19-519.

(A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN AUTHORIZED MOTOR VEHICLE INSURER AND THE MARYLAND AUTOMOBILE INSURANCE FUND MAY REINSTATE, WITHOUT A LAPSE IN COVERAGE, A PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE POLICY THAT WAS CANCELED BY THE INSURER OR THE FUND FOR NONPAYMENT OF PREMIUM ON PAYMENT BY THE POLICYHOLDER OF:

(1) ALL EARNED PREMIUMS OWED TO THE INSURER OR THE FUND;
AND

(2) ANY REASONABLE FEE APPROVED BY THE COMMISSIONER UNDER § 27-216(B)(4) OF THIS ARTICLE.

(B) BEFORE AN AUTHORIZED MOTOR VEHICLE INSURER OR THE MARYLAND AUTOMOBILE INSURANCE FUND REINSTATES A POLICY UNDER THIS SECTION, THE POLICYHOLDER SHALL PROVIDE TO THE INSURER OR THE FUND A WRITTEN CERTIFICATION, IN THE FORM AND MANNER SPECIFIED BY THE INSURER OR THE FUND, THAT NO LOSSES WERE INCURRED BY THE

POLICYHOLDER FROM THE TIME AND DATE THE POLICY WAS CANCELED THROUGH THE TIME AND DATE THE POLICY IS REINSTATED.

(C) A REINSTATEMENT OF A POLICY BY AN AUTHORIZED MOTOR VEHICLE INSURER OR THE MARYLAND AUTOMOBILE INSURANCE FUND UNDER THIS SECTION:

(1) SHALL BE IMPLEMENTED IN ACCORDANCE WITH WRITTEN UNDERWRITING GUIDELINES ADOPTED BY THE INSURER OR THE FUND; AND

(2) IS SUBJECT TO THE REQUIREMENTS OF § 27-501(A) OF THIS ARTICLE IN THE SAME MANNER AS A CANCELLATION, A REFUSAL TO UNDERWRITE, OR A REFUSAL TO RENEW A RISK OR CLASS OF RISK.

23-311.

A PREMIUM FINANCE COMPANY IS NOT REQUIRED TO REINSTATE A POLICY IF:

(1) THE INSURER REQUIRES A REINSTATEMENT FEE, AS AUTHORIZED UNDER § 27-216(B)(4) OF THIS ARTICLE, TO BE PAID BY THE INSURED; AND

(2) THE INSURED DOES NOT TIMELY PAY THE REINSTATEMENT FEE.”;

and after line 28, insert:

“(4) (I) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT PROHIBIT AN AUTHORIZED MOTOR VEHICLE INSURER OR THE MARYLAND AUTOMOBILE INSURANCE FUND FROM CHARGING AND COLLECTING A REASONABLE FEE APPROVED BY THE COMMISSIONER UNDER SUBPARAGRAPH

(Over)

(III) OF THIS PARAGRAPH FOR THE REINSTATEMENT OF A PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE POLICY IN ACCORDANCE WITH § 19-519 OF THIS ARTICLE.

(II) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT PROHIBIT A LICENSED INSURANCE PRODUCER OR A FUND PRODUCER FROM CHARGING AND COLLECTING A REASONABLE FEE APPROVED BY THE COMMISSIONER UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH FOR THE REINSTATEMENT OF A PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE POLICY IN ACCORDANCE WITH § 19-519 OF THIS ARTICLE.

(III) THE COMMISSIONER:

1. SHALL REVIEW THE ADMINISTRATIVE EXPENSES SUBMITTED BY AN AUTHORIZED MOTOR VEHICLE INSURER OR THE MARYLAND AUTOMOBILE INSURANCE FUND THAT ARE ASSOCIATED WITH REINSTATEMENTS UNDER § 19-519 OF THIS ARTICLE; AND

2. MAY APPROVE A REINSTATEMENT FEE NOT TO EXCEED:

A. \$10 TO BE CHARGED AND COLLECTED BY THE INSURER OR THE FUND; AND

B. \$15 TO BE CHARGED AND COLLECTED BY THE INSURANCE PRODUCER OR THE FUND PRODUCER.

(a) (1) An insurer or insurance producer may not cancel or refuse to underwrite or renew a particular insurance risk or class of risk for a reason based wholly or partly on race, color, creed, sex, or blindness of an applicant or policyholder or for any arbitrary, capricious, or unfairly discriminatory reason.

(2) Except as provided in this section, an insurer or insurance producer may not cancel or refuse to underwrite or renew a particular insurance risk or class of risk except by the application of standards that are reasonably related to the insurer's economic and business purposes."