
By: Delegate Muse

Introduced and read first time: February 7, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Automobile Insurance - Limitations on Surcharges**

3 FOR the purpose of imposing limitations on surcharges by insurers for chargeable
4 accidents under automobile insurance policies; prohibiting imposition of a
5 surcharge under certain circumstances; and establishing criteria for imposition of
6 surcharges.

7 BY adding to

8 Article 48A - Insurance Code

9 Section 240M

10 Annotated Code of Maryland

11 (1994 Replacement Volume and 1995 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 240M.

15 (A) A SURCHARGE MAY NOT BE IMPOSED AGAINST A NAMED INSURED OR
16 ANY OTHER INDIVIDUAL INSURED UNDER POLICY FOR AUTOMOBILE INSURANCE:

17 (1) FOR AN ACCIDENT FOR WHICH NO PAYMENT IS MADE BY THE
18 INSURER; OR

19 (2) FOR A FIRST ACCIDENT CHARGEABLE UNDER THE POLICY AGAINST
20 THE NAMED INSURED OR OTHER INDIVIDUAL INSURED UNDER THE POLICY.

21 (B) A SURCHARGE IMPOSED FOR A SECOND OR SUBSEQUENT ACCIDENT
22 CHARGEABLE UNDER A POLICY FOR AUTOMOBILE INSURANCE MAY NOT EXCEED
23 PRO RATA OVER A 3-YEAR PERIOD THE AMOUNT OF THE CLAIM PAID OR RESERVED
24 BY THE INSURER.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 1996.