

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 762 (Delegate Kach)
Economic Matters

Referred to Finance

**Accident History Reports - Maryland Automobile Insurance Fund -
Premium Finance Companies**

This enrolled bill authorizes the Maryland Automobile Insurance Fund (MAIF) to sponsor a premium finance company to obtain accident history reports (CLUE reports) directly from a firm that provides such reports when financing automobile insurance written through MAIF. It allows the premium finance company to charge and collect actual expenses for obtaining accident history reports in connection with placing automobile insurance through MAIF.

A premium finance company may not charge a MAIF applicant if a MAIF producer already has charged the applicant for obtaining an accident report. MAIF must submit a report by October 1, 1999 to the Senate Finance Committee and the House Economic Matters Committee on several aspects of the impact of allowing premium finance companies to obtain comprehensive loss underwriting exchange automobile reports (CLUE reports), including any savings in administrative costs and any reduction in MAIF rates.

Fiscal Summary

State Effect: The MAIF report should ascertain if CLUE reports obtained by premium finance companies have a direct impact in reducing MAIF premium rates. If they do, then a small indeterminate reduction in general fund revenue from the 2% premium tax could result.

Local Effect: None.

Information Source(s): Maryland Automobile Insurance Fund, Department of Fiscal Services

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Analysis by: E. P. Sayre
Reviewed by: John Rixey

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 841-3710
(301) 858-3710