

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 179 (Delegate Kach)
Economic Matters

Motor Vehicle Insurance - Personal Injury Protection Benefits - Insurer's Right of Subrogation

The bill grants a motor vehicle insurer the right to subrogation for benefits paid under the insured's personal injury protection coverage if the insured seeks recovery from another legally responsible party. The insurer is entitled to recover benefits paid less the insurer's share of expenses, costs, and attorney fees incurred to reach the settlement.

Fiscal Summary

State Effect: FY 1997 general fund revenue would increase by about \$20,400 in one-time fees collected by the Maryland Insurance Administration. Expenditures would not be affected.

Local Effect: None.

Fiscal Analysis

State Revenues: It is estimated that 100 private insurers, the Maryland Automobile Insurance Fund, and the Insurance Services Office would file revised rates and endorsement forms with the Insurance Commissioner and pay the \$200 fee (\$100 for each rate filing and \$100 for each form filing). As a result, general fund revenue would increase by \$20,400 in fiscal 1997. This is a one-time increase and will not occur in future fiscal years.

Information Source(s): Maryland Insurance Administration

Fiscal Note History: First Reader - February 14, 1996

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