

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1244 (Delegate La Vay, *et al.*)
Economic Matters

Referred to Finance

Motor Vehicle Liability Insurance - Premium Increases - Notice to Insureds

This amended bill specifies that in the case of a premium increase that is consistent with the insurer's surcharge plan as filed with the Commissioner under the applicable provisions of the insurance rating law, a policyholder does not have the right to protest and request a hearing. Under current law, a policyholder can file a protest and the insurer must maintain the current insurance in effect until a final determination is made.

Fiscal Summary

State Effect: Indeterminate increase in general fund revenues due to one-time fees collected by the Maryland Insurance Administration (MIA). Expenditures would not be affected as discussed below.

Local Effect: None.

Small Business Effect: None. The bill would not directly affect small businesses.

Fiscal Analysis

State Revenues: General fund revenues would increase by an indeterminate amount since auto insurance companies would be subject to \$100 form filing fees collected by the Maryland Insurance Administration (MIA). The number of auto insurers who would file new forms as a result of changes in notice requirements cannot be reliably estimated at this time, since form filings often combine several policy amendments at one time. It is noted that there are about 212 companies that write private passenger auto insurance.

State Expenditures: There would be a decrease in the number of complaints handled by

MIA. However, while the reduction in the number of complaints will help alleviate the workload of MIA's complaints investigators, expenditures are not expected to decrease.

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

Fiscal Note History: First Reader - March 3, 1997
ncs Revised - House Third Reader - March 26, 1997

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