

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 825 (Senator Derr)
Finance

Referred to Economic Matters

Motor Vehicle Liability Insurance - Premium Increases - Notice to Insureds

This enrolled bill specifies that in the case of a premium increase that is consistent with the insurer's surcharge plan as filed with the Insurance Commissioner under the applicable provisions of the insurance rating law, a policyholder does not have the right to request a hearing. Under current law, a policyholder can request a hearing before the Insurance Commissioner in any case of a premium increase.

The bill also specifies that in the case of a premium increase, a dismissal of a protest is deemed to be a final determination of the Commissioner 20 days after the mailing date of the Commissioner's notice of action.

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 hearings handled by MIA. However, while the reduction in the number of hearings will help alleviate MIA's workload, 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
brd Revised - Senate Third Reader - March 26, 1997
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| Analysis by: Sarah Dickerson | Direct Inquiries to: |
| Reviewed by: John Rixey | John Rixey, Coordinating Analyst |
| | (410) 841-3710 |
| | (301) 858-3710 |