

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 1320

(First Reading File Bill)

AMENDMENT NO. 1

At the top of page 1, strike "EMERGENCY BILL".

On page 1, in line 2, strike "Insurance" and substitute "Companies"; in the same line, strike "Certificate of Authority - Exceptions" and substitute "Requirements to Offer or Sell Insurance"; strike beginning with "clarifying" in line 3 down through "authority" in line 10 and substitute "authorizing motor vehicle rental companies to offer for sale and sell to renters of motor vehicles certain insurance policies under certain circumstances; prohibiting motor vehicle rental companies and any of their employees from advertising, representing, or otherwise holding themselves out in a certain manner to the general public; requiring a certain study by the Insurance Commissioner; requiring the Insurance Commissioner to submit a certain report by a certain date; providing for the effective date of this Act; providing for the termination of this Act; and generally relating to authorizing motor vehicle rental companies to offer for sale and sell certain insurance policies to renters"; and strike in their entirety lines 11 through 15, inclusive, and substitute:

"BY adding to

Article - Insurance

Section 10-601 to be under the new subtitle "Subtitle 6. Miscellaneous Provisions"

Annotated Code of Maryland

(1997 Volume)".

AMENDMENT NO. 2

On pages 1 through 3, strike in their entirety the lines beginning with line 19 on page 1 through line 8 on page 3, inclusive, and substitute:

"SUBTITLE 6. MISCELLANEOUS PROVISIONS.

(Over)

10-601.

(A) NOTWITHSTANDING ANY PROVISION OF THIS TITLE, A MOTOR VEHICLE RENTAL COMPANY MAY OFFER OR SELL AN INSURANCE POLICY IF:

(1) THE POLICY IS SOLD IN CONNECTION WITH A RENTAL OF A MOTOR VEHICLE FOR A PERIOD NOT TO EXCEED 30 DAYS;

(2) THE POLICY HAS BEEN FILED AND APPROVED BY THE COMMISSIONER AND ISSUED BY AN AUTHORIZED INSURER;

(3) THE MOTOR VEHICLE RENTAL COMPANY EMPLOYS OR CONTRACTS WITH A QUALIFIED AGENT FOR PROPERTY AND CASUALTY INSURANCE WHO SHALL:

(I) REVIEW THE POLICIES;

(II) DEVELOP A TRAINING PROGRAM FOR THE EMPLOYEES OF THE MOTOR VEHICLE RENTAL COMPANY;

(III) REVIEW DISCLOSURES AVAILABLE TO CONSUMERS; AND

(IV) PERFORM ANY OTHER DUTIES THAT THE COMMISSIONER MAY REQUIRE;

(4) THE MOTOR VEHICLE RENTAL COMPANY FILES WITH THE COMMISSIONER A LIST OF THE APPROVED POLICIES TO BE OFFERED TO RENTERS; AND

(5) THE MOTOR VEHICLE RENTAL COMPANY PROVIDES TO EACH RENTER COVERED BY A POLICY SOLD BY THE MOTOR VEHICLE RENTAL COMPANY A DISCLOSURE APPROVED BY THE COMMISSIONER.

(B) NO MOTOR VEHICLE RENTAL COMPANY OR ANY EMPLOYEE OF A MOTOR VEHICLE RENTAL COMPANY MAY ADVERTISE, REPRESENT, OR OTHERWISE HOLD ITSELF OUT AS AN AUTHORIZED INSURER, REINSURER, AGENT, OR BROKER.”.

AMENDMENT NO. 3

On page 3, before line 9, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That the Insurance Commissioner shall:

(a) conduct a study of:

(1) the insurance products offered and sold by motor vehicle rental companies and current practices of the rental car industry related to the sale of insurance products, including the compensation arrangements between insurers, motor vehicle rental companies, and employees of the motor vehicle rental companies;

(2) the method by which other states regulate the offer and sale of insurance products by the rental car industry and similar industries; and

(3) any other issue that the Commissioner considers appropriate;

(b) as part of the study, solicit comments from representatives of the rental car industry, organizations representing independent agents and brokers, the automobile liability industry, and the Maryland Automobile Insurance Fund;

(c) make recommendations on an appropriate regulatory structure for the industry, including draft legislation, if necessary; and

(d) on or before November 1, 1998, submit a report, including the recommendations required under subsection (c) of this section, to the House Economic Matters Committee and the Senate Finance Committee.”.

AMENDMENT NO. 4

On page 3, in line 9, strike “2.” and substitute “3.”; and strike beginning with “is” in line 9 down through “enacted” in line 13 and substitute “shall take effect June 1, 1998. It shall remain effective for a period of 1 year and, at the end of May 31, 1999, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect”.