
By: **Delegate V. Mitchell**

Introduced and read first time: February 13, 1998

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Automobile Insurance - Charge for Driving Record**

3 FOR the purpose of authorizing insurance agents and brokers to charge and collect,
4 as actual expenses in placing automobile insurance with an authorized insurer,
5 a certain charge for obtaining a driving record required to be submitted with the
6 application for insurance; and generally relating to premiums and charges for
7 automobile insurance.

8 BY repealing and reenacting, with amendments,
9 Article - Insurance
10 Section 27-216(b)
11 Annotated Code of Maryland
12 (1997 Volume)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Insurance**

16 27-216.

17 (b) (1) A person may not willfully collect a premium or charge for insurance
18 that:

19 (i) exceeds or is less than the premium or charge applicable to that
20 insurance under the applicable classifications and rates as filed with and approved by
21 the Commissioner; or

22 (ii) if classifications, premiums, or rates are not required by this
23 article to be filed with and approved by the Commissioner, exceeds or is less than the
24 premium or charge specified in the policy and set by the insurer.

25 (2) Paragraph (1) of this subsection does not prohibit:

1 (i) a surplus lines broker that holds a certificate of qualification
2 under Title 3, Subtitle 3 of this article from charging and collecting applicable State
3 and federal taxes in addition to the required premium;

4 (ii) a life insurer from charging and collecting the amount actually
5 expended for a medical examination of an applicant for life insurance or
6 reinstatement of a policy of life insurance;

7 (iii) a broker from charging a fee, not exceeding 15% of the
8 premium, for services rendered in replacing insurance in an insurer if commissions
9 are not payable by the insurer;

10 (iv) an agent or broker from charging and collecting, as actual
11 expenses incurred in placing automobile insurance with the Maryland Automobile
12 Insurance Fund OR AN AUTHORIZED INSURER:

13 1. a maximum charge of \$10 plus \$1 more than the actual
14 charge by the Motor Vehicle Administration for a driving record required to be
15 presented with the application, unless otherwise provided by the Fund OR
16 AUTHORIZED INSURER; or

17 2. the amount provided in subsection (e) of this section; or

18 (v) an authorized insurer from charging and collecting reasonable
19 installment fees as approved by the Commissioner.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 1998.