

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1310 (Delegates Love and Barve)

Economic Matters

Insurance - Rental Car Companies - Regulation Under Insurance Laws

This emergency bill specifies that the Insurance Article does not apply to a rental company that offers insurance coverage in connection with and incidental to the rental of vehicles at rental offices or by preselection of coverage in master, corporate, group rental, or individual agreements in specified categories.

Fiscal Summary

State Effect: To the extent that rental car companies would sell insurance products that they do not currently sell, revenues from filing fees, licensing fees, and insurance premium taxes collected by the Maryland Insurance Administration (MIA) would be foregone.

Local Effect: None.

Small Business Effect: Meaningful.

Fiscal Analysis

State Revenues: To the extent that rental car companies would sell insurance products that they do not currently sell, revenues from filing fees for those coverages would be foregone. In addition, MIA would not collect licensing fees from: (1) unlicensed insurers selling through rental car companies; (2) licensed insurers selling specific lines of insurance that they would otherwise have to be authorized to sell; (3) unlicensed agents, brokers, and employees selling through rental car companies; and (4) licensed agents and brokers selling specific lines of insurance that they would otherwise have to be authorized to sell. Insurance premium tax revenues would also be foregone.

Small Business Effect: Small rental car businesses would benefit from the ability to sell

products in connection with renting a car without regulation by MIA.

Information Source(s): Maryland Insurance Administration

Fiscal Note History: First Reader - March 16, 1998

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