

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Revised

Senate Bill 190 (Senator Kasemever)

Finance

**Insurance - Motor Vehicles - Reimbursement for the
Rental of Specially Equipped Motor Vehicles**

This bill requires that if an insurance policy provides for reimbursement of the costs of a rental vehicle, the policy must, upon request, make available a daily reimbursement rate of up to \$100, for a maximum of \$1,500 per policy period, to allow the insured to rent a motor vehicle that is equipped similarly to the covered vehicle. The bill applies to a motor vehicle insurance policy that covers a vehicle that is specially equipped for transportation of or operation by an individual with a disability.

Fiscal Summary

State Effect: Indeterminate increase in general fund revenues in FY 1999 due to one-time fees collected by the Maryland Insurance Administration. Any increase in insurance premium taxes is assumed to be negligible. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

State Revenues: General fund revenues could increase by an indeterminate amount since auto insurance companies would be subject to \$100 rate and form filings fees by the Maryland Insurance Administration. The number of insurers who will file new rates and forms solely as a result of this bill cannot be reliably estimated at this time, since rate and form filings often combine several rate and policy amendments at one time. The Maryland Insurance Administration estimates that about 100 independent personal auto insurers will need to file revised forms.

Premiums for rental reimbursement coverage for specially equipped vehicles may increase. However, this coverage is optional and it is assumed that there are relatively few specially equipped vehicles in use. Thus, any resulting increase in revenues from the 2% premium tax is assumed to be negligible.

Information Source(s): Maryland Insurance Administration

Fiscal Note History: First Reader - February 6, 1998
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