

SENATE BILL 523

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C4

1999 Regular Session
(9lr2159)

ENROLLED BILL
-- Finance/Economic Matters --

Introduced by **Senator Conway**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Automobile Liability Insurance and Homeowner's Insurance - Prohibited**
3 **Inquiries -- Claims History Terminations and Refusals**

4 FOR the purpose of prohibiting an automobile liability insurer or a homeowner's
5 insurer from asking an applicant or an insured about the claims history of the
6 applicant or the insured for any time preceding a certain period of time under
7 certain circumstances; and generally relating to prohibited inquiries in
8 canceling, refusing to renew, or otherwise terminating certain coverage or
9 refusing to underwrite a certain risk because of a claim that occurred more than
10 a certain time before the effective date of the policy or renewal or the date of the
11 application for coverage; ~~and general~~ providing for an exception for certain
12 claims involving fraud or arson; and generally relating to automobile liability
13 insurance and homeowner's insurance.

14 BY repealing and reenacting, with amendments,
15 Article - Insurance
16 Section 27-501(e) (d)

1 Annotated Code of Maryland
2 (1997 Volume and 1998 Supplement)

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

5 **Article - Insurance**

6 27-501.

7 ~~(e) (†) An insurer, agent, or broker may not make an inquiry about race,~~
8 ~~creed, color, or national origin in an insurance form, questionnaire, or other manner of~~
9 ~~requesting general information that relates to an application for insurance.~~

10 ~~(2) WITH RESPECT TO AUTOMOBILE LIABILITY INSURANCE OR~~
11 ~~HOMEOWNER'S INSURANCE, AN INSURER MAY NOT ASK, IN AN INSURANCE FORM,~~
12 ~~QUESTIONNAIRE, OR OTHER MANNER OF REQUESTING INFORMATION, AN~~
13 ~~APPLICANT OR AN INSURED ABOUT THE CLAIMS HISTORY OF THE APPLICANT OR~~
14 ~~THE INSURED FOR ANY TIME PRECEDING THE 3-YEAR PERIOD THAT THE INSURER~~
15 ~~MAY CONSIDER AND USE AS A BASIS FOR CANCELING OR REFUSING TO RENEW~~
16 ~~COVERAGE OR REFUSING TO UNDERWRITE UNDER THIS SECTION.~~

17 (d) (1) With respect to automobile liability insurance, an insurer may not:

18 [(1)] (I) cancel, refuse to renew, or otherwise terminate coverage for an
19 automobile insurance risk because of a CLAIM, traffic violation [or], OR TRAFFIC
20 accident, ~~OR CLAIM~~ that occurred more than 3 years before the effective date of the
21 policy or renewal; or

22 [(2)] (II) refuse to underwrite an automobile insurance risk because of a
23 CLAIM, traffic violation [or], OR TRAFFIC accident, ~~OR CLAIM~~ that occurred more
24 than 3 years before the date of application.

25 (2) WITH RESPECT TO HOMEOWNER'S INSURANCE, AN INSURER MAY
26 NOT:

27 (I) CANCEL, REFUSE TO RENEW, OR OTHERWISE TERMINATE
28 COVERAGE FOR A HOMEOWNER'S INSURANCE RISK BECAUSE OF A CLAIM THAT
29 OCCURRED MORE THAN 3 YEARS BEFORE THE EFFECTIVE DATE OF THE POLICY OR
30 RENEWAL; OR

31 (II) REFUSE TO UNDERWRITE A HOMEOWNER'S INSURANCE RISK
32 BECAUSE OF A CLAIM THAT OCCURRED MORE THAN 3 YEARS BEFORE THE DATE OF
33 APPLICATION.

34 (3) PARAGRAPHS (1) AND (2) OF THIS SUBSECTION DO NOT APPLY TO A
35 CLAIM INVOLVING CONVICTION OF THE INSURED OR APPLICANT FOR FRAUD OR
36 ARSON.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 1999.