
By: **Senator Conway**
Introduced and read first time: February 5, 1999
Assigned to: Finance

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 29, 1999

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 relating to automobile liability insurance
12 and homeowner's insurance.

13 BY repealing and reenacting, with amendments,
14 Article - Insurance
15 Section 27-501(e) (d)
16 Annotated Code of Maryland
17 (1997 Volume and 1998 Supplement)

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

20 **Article - Insurance**

1 (e) (1) An insurer, agent, or broker may not make an inquiry about race,
 2 creed, color, or national origin in an insurance form, questionnaire, or other manner of
 3 requesting general information that relates to an application for insurance.

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

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

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

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

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

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

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

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