

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

Senate Bill 523 (Senator Conway)

Finance

**Automobile Liability Insurance and Homeowner's Insurance -
Prohibited Terminations and Refusals**

This bill prohibits an automobile liability or homeowner's insurer from canceling, refusing to underwrite or renew, or otherwise terminating coverage because of a claim that occurred more than three years before the date of application or effective date of policy or renewal. The prohibition does not apply if a claim involved a conviction of the insured for fraud or arson.

Fiscal Summary

State Effect: Indeterminate increase in special fund revenues. No effect on expenditures.

Local Effect: None.

Small Business Effect: Potential minimal.

Fiscal Analysis

State Revenues: Special fund revenues could increase by an indeterminate amount since insurers would be subject to \$125 rate and filing fees by the Maryland Insurance Administration. The number of insurers that would be required to file new rates and forms solely as a result of this bill cannot be reliably estimated at this time.

Information Source(s): Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History:

dmm/jr

First Reader - February 25, 1999

Revised - Senate Third Reader - March 31, 1999

Revised - Enrolled Bill - April 15, 1999

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