

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 598

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 6, after "coverage" insert "and the Insurance Commissioner"; in the same line, after "exemption;" insert "specifying the contents of the certification;"; in line 8, after "policyholders;" insert "providing that an independent insurance professional may be compensated for certain services only by certain persons; requiring an insurer to file with the Insurance Commissioner any forms and endorsements issued to an exempt commercial policyholder under certain circumstances; providing that, except for a certain exemption, forms and endorsements issued to exempt commercial policyholders shall be subject to certain State insurance laws; providing that the Insurance Commissioner, by regulation, may authorize an exempt commercial policyholder to procure insurance from an unauthorized insurer under certain circumstances;".

AMENDMENT NO. 2

On page 3, in line 19, strike "COUNTRYWIDE"; in line 20, after "PREMIUMS" insert "FOR COMMERCIAL INSURANCE POLICIES ISSUED IN THE STATE DURING THE CURRENT OR THE IMMEDIATELY PRECEDING CALENDAR YEAR"; in line 27, strike "\$25,000,000" and substitute "\$10,000,000"; in line 31, strike "ADVISOR" and substitute "PROFESSIONAL"; and strike beginning with the colon in line 31 down through "BROKER" in line 35 and substitute "PROVIDES SKILLED SERVICES IN LOSS PREVENTION, LOSS REDUCTION, OR RISK AND INSURANCE COVERAGE ANALYSIS AND THE PURCHASE OF INSURANCE, AND WHO POSSESSES AT LEAST ONE OF THE FOLLOWING CREDENTIALS:

A. A BACHELOR'S OR HIGHER DEGREE IN RISK MANAGEMENT ISSUED BY AN ACCREDITED COLLEGE OR UNIVERSITY;

B. DESIGNATION AS A CHARTERED PROPERTY AND CASUALTY UNDERWRITER (CPCU) ISSUED BY THE AMERICAN INSTITUTE FOR CPCU/INSURANCE INSTITUTE OF AMERICA;

(Over)

C. DESIGNATION AS AN ASSOCIATE IN RISK MANAGEMENT (ARM) ISSUED BY THE AMERICAN INSTITUTE FOR CPCU/INSURANCE INSTITUTE OF AMERICA; OR

D. A CERTIFICATE OF QUALIFICATION TO SERVE AS A BROKER OR A LICENSE TO SERVE AS AN ADVISER UNDER THIS ARTICLE”.

AMENDMENT NO. 3

On page 4, in line 5, after “WRITING” insert “, ON A FORM APPROVED BY THE COMMISSIONER,”; in the same line, after “COVERAGE” insert “AND THE COMMISSIONER”; in line 7, after “INCLUDE” insert “:

1.”;

in line 9, after “POLICYHOLDER” insert “;

2. INFORMATION REQUIRED BY THE COMMISSIONER FOR THE PURPOSE OF DETERMINING THE ANNUAL AGGREGATE PREMIUMS OF THE INSURED FOR PURPOSES OF PARAGRAPH (1)(I) OF THIS SUBSECTION; AND

3. AN ACKNOWLEDGMENT BY THE INSURED THAT THE POLICY FORM, ENDORSEMENT, OR MODIFICATION INTENDED FOR USE HAS NOT BEEN FILED WITH THE COMMISSIONER”;

after line 9, insert:

“(III) IF AN INSURED RETAINS, EMPLOYS, OR UTILIZES AN INDEPENDENT INSURANCE PROFESSIONAL, AND USES THIS CRITERION TO QUALIFY AS AN EXEMPT COMMERCIAL POLICYHOLDER, THE CERTIFICATION SHALL IDENTIFY THE INDEPENDENT INSURANCE PROFESSIONAL BY NAME, PROFESSIONAL DESIGNATION, BUSINESS ADDRESS, AND BUSINESS TELEPHONE NUMBER.”;

and after line 15, insert:

“(6) AN INDEPENDENT INSURANCE PROFESSIONAL MAY BE COMPENSATED, FOR SERVICES RENDERED TO AN EXEMPT COMMERCIAL POLICYHOLDER, ONLY BY THE EXEMPT COMMERCIAL POLICYHOLDER.

(7) ON WRITTEN REQUEST OF THE COMMISSIONER, AN INSURER SHALL FILE WITH THE COMMISSIONER ANY FORMS AND ENDORSEMENTS ISSUED TO AN EXEMPT COMMERCIAL POLICYHOLDER.

(8) EXCEPT FOR THE EXEMPTION FROM FORM FILING REQUIREMENTS UNDER THIS SECTION, FORMS AND ENDORSEMENTS ISSUED TO EXEMPT COMMERCIAL POLICYHOLDERS SHALL BE SUBJECT TO ALL APPLICABLE PROVISIONS OF THIS ARTICLE.”.

AMENDMENT NO. 4

On page 4, before line 16, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That the Insurance Commissioner, by regulation, may authorize an exempt commercial policyholder, as defined in § 11-206(j) of the Insurance Article, as enacted by Section 1 of this Act, to procure insurance from an unauthorized insurer in accordance with § 3-306 of the Insurance Article.”;

and in line 16, strike “2.” and substitute “3.”.