

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 883 (Delegate Brown)

Economic Matters

Motor Vehicle Liability Insurance - Waiver of Coverage - Family Exclusion

This bill authorizes the first named insured under a policy or binder of private passenger motor vehicle liability insurance to carry, by affirmative written waiver, liability insurance on a family member in a different amount from the liability insurance carried on a non-family member. A waiver is valid until withdrawn. An insurer may not refuse to underwrite a person because the person refuses to waive the liability coverage for claims made by family members in an amount equaling the amount for non-family members. The Insurance Commissioner may suspend, revoke, or deny a certificate to; impose a penalty on; or issue a cease and desist order to an insurer in violation of the bill.

The bill applies to private passenger motor vehicle liability insurances and binders issued, delivered, or renewed on or after October 1, 2000.

Fiscal Summary

State Effect: Minimal special fund revenue increase from the \$125 form filing fee for insurers who elect to file a waiver form authorized by the bill. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Coverage for family members who make a claim against an insured's policy is the State's mandatory minimum limits: (1) \$20,000 per person and \$40,000 for bodily injury; and (2) \$15,000 for property damage.

Additional Information

Prior Introductions: None.

Cross File: SB 596 (Senator Dorman) - Finance.

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

Fiscal Note History: First Reader - February 29, 2000
drg/jr

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