

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 1326 (Delegates Donoghue and Mitchell)

Economic Matters

Maryland Insurance Administration - Fees - Form Filings

This bill requires the Insurance Commissioner to adopt regulations each year that set the fees for form filings. The bill requires the fee for filing one form to be determined by dividing the expected actual cost of the form filing activities of the Maryland Insurance Administration (MIA) by the number of forms filed in the preceding calendar year. The maximum fee for a filing that contains multiple forms may not be more than five times the filing fee for one form.

Fiscal Summary

State Effect: Decrease in special fund revenue from form filing fees, offset by an increase in special fund revenues from MIA's annual assessment on insurers.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: An insurer must pay a fee of \$125 for each form and each rate filed with MIA.

State Revenues: MIA is a special fund agency. It receives its revenues from rate and form filing fees and an annual assessment on insurers. The bill limits the form filing fee for multiple filings to five times the filing fee for one form and the fee for filing one form to MIA's actual cost for filing one form. Insurers filing multiple forms would pay significantly less per form filed. For illustrative purposes, MIA would recover its cost of filing five forms

from an insurer making a filing of 50 forms. The number of forms that would be filed in excess of the cost recovery limit cannot be accurately estimated at this time, but is assumed to be significant. Any costs associated with form filing not accounted for by filing fees would be passed on to all insurers through an increase in MIA's annual assessment. An insurer whose assessment is raised without a reduction in filing fee costs could pass the additional cost on to its customers.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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