

HOUSE BILL 1184

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2001 Regular Session
11r2647
CF 11r2646

By: **Delegate Donoghue**

Introduced and read first time: February 9, 2001

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Property and Casualty Insurers - Geographic Distribution of Private**
3 **Passenger and Residential Property Premium - Filing Data by Bulletin**

4 FOR the purpose of repealing certain provisions of law requiring certain authorized
5 insurers and the Maryland Automobile Insurance Fund to file with the
6 Insurance Commissioner in a certain manner certain data about the geographic
7 distribution of private passenger premium and residential property premium;
8 repealing certain provisions of law requiring certain major insurers to file a
9 certain marketing plan with the Commissioner in a certain manner; requiring
10 certain authorized insurers and the Maryland Automobile Insurance Fund to
11 file with the Commissioner in a certain manner by bulletin certain data about
12 the geographic distribution of private passenger premium and residential
13 property premium; providing for a delayed effective date; and generally relating
14 to filing data about the geographic distribution of private passenger and
15 residential property premium under property and casualty insurance.

16 BY repealing
17 Article - Insurance
18 Section 11-321 through 11-326, inclusive, and the part "Part IV. Same -
19 Geographic Distribution of Residential Property and Premium and Private
20 Passenger Premium"
21 Annotated Code of Maryland
22 (1997 Volume and 2000 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article - Insurance
25 Section 19-112
26 Annotated Code of Maryland
27 (1997 Volume and 2000 Supplement)

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

1 **Article - Insurance**

2 [Part IV. Same - Geographic Distribution of Residential Property Premium and
3 Private Passenger Premium.]

4 [11-321.

5 (a) In Part IV of this subtitle the following words have the meanings
6 indicated.

7 (b) "Affiliate" has the meaning stated in § 7-101 of this article.

8 (c) "Residential property premium" means the direct written premium derived
9 from the sale of residential property insurance policies in a calendar year.

10 (d) "Major insurer" means an insurer or affiliate or subsidiary of that insurer
11 that has written an amount of private passenger premium in the State that totals .5%
12 or more of the total premium of private passenger premium written in the State by all
13 insurers, including the Maryland Automobile Insurance Fund.

14 (e) "Private passenger premium" means the direct written premium derived
15 from the sale of private passenger motor vehicle insurance policies in a calendar year.

16 (f) "Subsidiary" has the meaning stated in § 7-101 of this article.]

17 [11-322.

18 (a) Part IV of this subtitle applies to each authorized insurer that writes:

19 (1) private passenger motor vehicle insurance in the State; or

20 (2) residential property insurance in the State.

21 (b) Except as expressly provided otherwise, Part IV of this subtitle does not
22 apply to the Maryland Automobile Insurance Fund.]

23 [11-323.

24 (a) On or before July 1 of each year, each insurer and the Maryland
25 Automobile Insurance Fund shall file data about the geographic distribution of
26 private passenger premium written by the insurer and the Maryland Automobile
27 Insurance Fund in the State for the preceding calendar year.

28 (b) On or before October 1 of each year, each insurer shall file data about the
29 geographic distribution of residential property premium written by the insurer in the
30 State for the preceding calendar year.

31 (c) The data required under this section shall:

32 (1) be filed with the Commissioner in the form required by the
33 Commissioner; and

1 (2) at a minimum, detail the amount of private passenger premium
2 written by the insurer and the Maryland Automobile Insurance Fund and the amount
3 of residential property premium written by the insurer in the preceding calendar year
4 and the number of policies represented by that premium:

5 (i) in the State as a whole; and

6 (ii) in Baltimore City.

7 (d) The data shall be submitted by each rating territory or each zip code, or
8 both.

9 (e) Failure by the insurer or the Maryland Automobile Insurance Fund to
10 submit the data required under this section on a timely basis is grounds for the
11 imposition of the penalties provided in §§ 4-113 and 4-114 of this article.]

12 [11-324.

13 On or before August 15 of each year, the Commissioner shall:

14 (1) prepare a list of insurers that are major insurers;

15 (2) compute each insurer's market share in the State in the preceding
16 calendar year;

17 (3) notify in writing each insurer that has been designated as a major
18 insurer; and

19 (4) compute each insurer's market share in Baltimore City.]

20 [11-325.

21 (a) On or before October 1 of each year, each insurer that has been designated
22 a major insurer on or before August 15 of the same year shall file a marketing plan
23 with the Commissioner.

24 (b) The goal of the marketing plan shall be to ensure that the insurer markets
25 and otherwise makes available insurance to those persons who reside in Baltimore
26 City in the same manner as to persons who reside in other jurisdictions in the State.

27 (c) (1) The Commissioner shall review the marketing plan to determine
28 whether the plan will achieve the goal stated in subsection (b) of this section.

29 (2) A marketing plan is deemed approved unless disapproved by the
30 Commissioner within 30 days after submission.

31 (3) (i) If the marketing plan does not contain sufficient information for
32 the Commissioner to determine if the plan will achieve the goal stated in subsection
33 (b) of this section, the Commissioner shall require the major insurer to provide the
34 needed information within 30 days after the Commissioner requests the information.

1 (ii) If additional information is required by the Commissioner
2 under this paragraph, the time period for approval, disapproval, or deemed approval
3 begins on the date the additional information is submitted.

4 (4) If the Commissioner determines that the marketing plan will not
5 achieve the goal stated in subsection (b) of this section, the Commissioner shall
6 require the major insurer to file for review and approval a revised marketing plan for
7 Baltimore City.

8 (d) (1) On or before September 1 of each year, a major insurer may file a
9 written request with the Commissioner for a 1-year exemption from the
10 requirements of this section.

11 (2) The Commissioner may grant an exemption under this subsection if
12 the Commissioner determines that for calendar year 1994 the major insurer wrote a
13 de minimus amount of total yearly private passenger motor vehicle insurance, as
14 determined by the Commissioner, in the Baltimore standard metropolitan statistical
15 area.

16 (3) On or before September 15 of each year in which a request is filed,
17 the Commissioner shall determine whether the exemption should be granted.

18 (e) (1) Subject to paragraph (2) of this subsection, the Commissioner shall
19 exempt from the requirements of this section an insurer that:

20 (i) on or after January 1, 1995, has limited the availability of its
21 insurance to persons who are members of a club, group, or organization; and

22 (ii) uniformly requires eligibility for that club, group, or
23 organization as a condition of providing insurance.

24 (2) On or before October 1 of each year, each major insurer exempted
25 under this subsection shall file a marketing plan for Baltimore City.

26 (3) The goal of the marketing plan shall be to ensure that the insurer
27 markets and otherwise makes available insurance to those persons who reside in
28 Baltimore City and who otherwise satisfy the eligibility conditions of the insurer, in
29 the same manner as to persons who reside in other jurisdictions in the State.

30 (f) Unless otherwise exempted from the requirements of this section, the
31 failure of a major insurer to file or substantially implement a marketing plan for
32 Baltimore City or to market and otherwise make available insurance to those persons
33 who reside in Baltimore City in the same manner as to persons who reside in other
34 jurisdictions in the State as required under this section is, after notice and
35 opportunity for a hearing, grounds for the imposition of the penalties provided under
36 §§ 4-113 and 4-114 of this article.

37 (g) This section does not authorize the Commissioner to require that an
38 insurer place an agent in a particular location or jurisdiction.

1 (h) If the market share of private passenger premium written by a major
2 insurer in Baltimore City equals or exceeds 75% of the market share of private
3 passenger premium written by the major insurer in any year in the State, excluding
4 Baltimore City, the major insurer is not required to file a marketing plan under this
5 section for the following year.]

6 [11-326.

7 (a) (1) Notwithstanding any other provision of law, any data, documents, or
8 other information filed with the Commissioner under Part IV of this subtitle about a
9 particular insurer or that insurer's market share or plan:

10 (i) shall be considered confidential commercial information;

11 (ii) shall be kept confidential by the Commissioner; and

12 (iii) may not be made public or be subject to subpoena, other than by
13 the Commissioner for the purpose of enforcement of Part IV of this subtitle by the
14 Commissioner.

15 (2) The Commissioner:

16 (i) may release a list of the names of all insurers designated as
17 major insurers; and

18 (ii) may not release the particular market share of a major insurer
19 in Baltimore City unless authorized by the insurer.

20 (b) (1) On or before July 1, 1997, the Commissioner shall submit a report to
21 the Governor and, subject to § 2-1246 of the State Government Article, the General
22 Assembly about the availability and affordability of private passenger motor vehicle
23 insurance in Baltimore City.

24 (2) The report shall provide information on:

25 (i) the number of insurers actively engaged in providing coverage
26 in Baltimore City;

27 (ii) the market shares of insurers in the market in Baltimore City;

28 (iii) the changes in market shares of insurers in the market in
29 Baltimore City; and

30 (iv) whether insurance is available from insurers other than the
31 Maryland Automobile Insurance Fund.]

32 19-112.

33 (a) The Commissioner may request by bulletin from a property and casualty
34 insurer, data that relates to policies written by the insurer.

- 1 (b) A request by bulletin under this section shall specify:
- 2 (1) the line of insurance for which the data is being requested; and
- 3 (2) the period of time for which the data is requested.

4 (c) Data requested by bulletin under this section shall be filed with the
5 Commissioner in a form required by the Commissioner.

6 (d) (1) A request by bulletin expires 2 years after the date of the request by
7 the Commissioner.

8 (2) If the Commissioner needs additional data after the end of that
9 2-year period, the Commissioner shall issue another bulletin.

10 (e) At least 15 days prior to granting an application under § 10-614 of the
11 State Government Article to inspect company-specific data that was requested by
12 bulletin under this section, the Commissioner shall notify the insurer that supplied
13 the data:

14 (1) that the Commissioner has received an application to inspect data
15 filed by the insurer;

16 (2) which data the Commissioner intends to disclose in granting the
17 application; and

18 (3) that, within 7 days of receipt of the notice, the insurer has the
19 opportunity to provide any reason why the data is confidential commercial data or is
20 otherwise protected from disclosure under the Public Information Act.

21 (F) (1) EACH AUTHORIZED INSURER THAT WRITES PRIVATE PASSENGER
22 MOTOR VEHICLE INSURANCE IN THE STATE AND THE MARYLAND AUTOMOBILE
23 INSURANCE FUND SHALL FILE, IN ACCORDANCE WITH THIS SECTION, DATA ABOUT
24 THE GEOGRAPHIC DISTRIBUTION OF PRIVATE PASSENGER PREMIUM WRITTEN BY
25 THE INSURER AND THE MARYLAND AUTOMOBILE INSURANCE FUND IN THE STATE
26 FOR THE PRECEDING CALENDAR YEAR.

27 (2) EACH AUTHORIZED INSURER THAT WRITES RESIDENTIAL PROPERTY
28 INSURANCE IN THE STATE SHALL FILE, IN ACCORDANCE WITH THIS SECTION, DATA
29 ABOUT THE GEOGRAPHIC DISTRIBUTION OF RESIDENTIAL PROPERTY PREMIUM
30 WRITTEN BY THE INSURER IN THE STATE FOR THE PRECEDING CALENDAR YEAR.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 July 1, 2002.