

SENATE BILL 797

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C4

2001 Regular Session
(11r2646)

ENROLLED BILL
-- Finance/Economic Matters --

Introduced by **Senator Astle**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

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

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

1 BY repealing and reenacting, with amendments,
 2 Article - Insurance
 3 ~~Section 11-321 through 11-326, inclusive, and the part "Part IV. Same—~~
 4 ~~Geographic Distribution of Residential Property and Premium and Private~~
 5 ~~Passenger Premium"~~
 6 Section 11-323, 11-324, 11-325, and 11-326 11-321
 7 Annotated Code of Maryland
 8 (1997 Volume and 2000 Supplement)

9 ~~BY repealing and reenacting, with without amendments,~~
 10 ~~Article—Insurance~~
 11 ~~Section 11-321, 11-322, and 19-112~~
 12 ~~Annotated Code of Maryland~~
 13 ~~(1997 Volume and 2000 Supplement)~~

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

16 **Article - Insurance**

17 ~~[Part IV. Same—Geographic Distribution of Residential Property Premium and~~
 18 ~~Private Passenger Premium.]~~

19 ~~§11-321.~~

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

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

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

25 (d) "Major insurer" means an insurer or affiliate or subsidiary of that insurer
 26 that has written an amount of private passenger premium in the State that totals ~~5%~~
 27 1% or more of the total premium of private passenger premium written in the State
 28 by all insurers, including the Maryland Automobile Insurance Fund.

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

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

32 ~~§11-322.~~

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

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

1 (2) residential property insurance in the State.

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

4 [H 323.

5 (a) On or before July 1 of each year ~~IF REQUIRED BY THE COMMISSIONER IN~~
6 ~~ACCORDANCE WITH § 19-112 OF THIS ARTICLE~~, each insurer and the Maryland
7 Automobile Insurance Fund shall file data about the geographic distribution of
8 private passenger premium written by the insurer and the Maryland Automobile
9 Insurance Fund in the State for the preceding calendar year.

10 (b) On or before October 1 of each year ~~IF REQUIRED BY THE COMMISSIONER~~
11 ~~IN ACCORDANCE WITH § 19-112 OF THIS ARTICLE~~, each insurer shall file data about
12 the geographic distribution of residential property premium written by the insurer in
13 the State for the preceding calendar year.

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

15 (1) be filed with the Commissioner in the form required by the
16 Commissioner; and

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

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

22 (ii) in Baltimore City.

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

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

28 [H 324.

29 On or before August 15 of each year, ~~EACH YEAR~~ the Commissioner shall ~~MAY~~:

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

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

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

1 (4) compute each insurer's market share in Baltimore City ~~OR ANOTHER~~
2 ~~JURISDICTION, AS DETERMINED BY THE COMMISSIONER.~~

3 ~~{H-325.~~

4 (a) On or before October 1 of each year, each ~~AT THE REQUEST OF THE~~
5 ~~COMMISSIONER, AN~~ insurer that has been designated a major insurer on or before
6 August 15 of the same year shall file a marketing plan with the Commissioner.

7 (b) The goal of the marketing plan shall be to ensure that the insurer markets
8 and otherwise makes available insurance to those persons who reside in Baltimore
9 City ~~THE DESIGNATED JURISDICTION~~ in the same manner as to persons who reside in
10 other jurisdictions in the State.

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

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

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

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

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

26 (d) (1) On or before September 1 of each year, a ~~A~~ major insurer may file a
27 written request with the Commissioner for a 1 year ~~AN~~ exemption from the
28 requirements of this section.

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

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

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

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

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

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

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

11 (f) Unless otherwise exempted from the requirements of this section, the

12 ~~(E) THE failure of a major insurer to file or substantially implement a~~
13 ~~marketing plan for Baltimore City or to market and otherwise make available~~
14 ~~insurance to those persons who reside in Baltimore City in the same manner as to~~
15 ~~persons who reside in other jurisdictions in the State as required under this section,~~
16 ~~AS REQUIRED BY THE COMMISSIONER, is, after notice and opportunity for a hearing,~~
17 ~~grounds for the imposition of the penalties provided under §§ 4-113 and 4-114 of this~~
18 ~~article.~~

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

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

26 [H-326.

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

30 (i) ~~(1)~~ shall be considered confidential commercial information;

31 (ii) ~~(2)~~ shall be kept confidential by the Commissioner; and

32 (iii) ~~(3)~~ may not be made public or be subject to subpoena, other
33 than by the Commissioner for the purpose of enforcement of Part IV of this subtitle by
34 the Commissioner.

35 (2) ~~(B)~~ The Commissioner:

1 (i) ~~(1)~~ may release a list of the names of all insurers designated
2 as major insurers; and

3 (ii) ~~(2)~~ may not release the particular market share of a major
4 insurer in Baltimore City unless authorized by the insurer.

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

9 (2) The report shall provide information on:

10 (i) the number of insurers actively engaged in providing coverage
11 in Baltimore City;

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

13 (iii) the changes in market shares of insurers in the market in
14 Baltimore City; and

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

17 ~~19-112.~~

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

20 (b) A request by bulletin under this section shall specify:

21 (1) the line of insurance for which the data is being requested; and

22 (2) the period of time for which the data is requested.

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

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

27 (2) If the Commissioner needs additional data after the end of that
28 2-year period, the Commissioner shall issue another bulletin.

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

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

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

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

6 (F) (1) ~~EACH AUTHORIZED INSURER THAT WRITES PRIVATE PASSENGER
7 MOTOR VEHICLE INSURANCE IN THE STATE AND THE MARYLAND AUTOMOBILE
8 INSURANCE FUND SHALL FILE, IN ACCORDANCE WITH THIS SECTION, DATA ABOUT
9 THE GEOGRAPHIC DISTRIBUTION OF PRIVATE PASSENGER PREMIUM WRITTEN BY
10 THE INSURER AND THE MARYLAND AUTOMOBILE INSURANCE FUND IN THE STATE
11 FOR THE PRECEDING CALENDAR YEAR.~~

12 (2) ~~EACH AUTHORIZED INSURER THAT WRITES RESIDENTIAL PROPERTY
13 INSURANCE IN THE STATE SHALL FILE, IN ACCORDANCE WITH THIS SECTION, DATA
14 ABOUT THE GEOGRAPHIC DISTRIBUTION OF RESIDENTIAL PROPERTY PREMIUM
15 WRITTEN BY THE INSURER IN THE STATE FOR THE PRECEDING CALENDAR YEAR.~~

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 ~~July 1, 2002~~ June 1, 2001.