

SENATE BILL 797

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By: **Senator Astle**

Introduced and read first time: February 12, 2001

Assigned to: Rules

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 23, 2001

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CHAPTER\_\_\_\_\_

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

17 BY repealing and reenacting, with amendments,  
18 Article - Insurance  
19 ~~Section 11-321 through 11-326, inclusive, and the part "Part IV. Same—~~  
20 ~~Geographic Distribution of Residential Property and Premium and Private~~  
21 ~~Passenger Premium"~~  
22 Section 11-323, 11-324, 11-325, and 11-326  
23 Annotated Code of Maryland  
24 (1997 Volume and 2000 Supplement)

1 BY repealing and reenacting, ~~with~~ without amendments,  
2 Article - Insurance  
3 Section 11-321, 11-322, and 19-112  
4 Annotated Code of Maryland  
5 (1997 Volume and 2000 Supplement)

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

8 **Article - Insurance**

9 {Part IV. Same - Geographic Distribution of Residential Property Premium and  
10 Private Passenger Premium.}

11 {11-321.

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

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

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

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

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

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

24 {11-322.

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

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

27 (2) residential property insurance in the State.

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

30 {11-323.

31 (a) ~~On or before July 1 of each year~~ IF REQUIRED BY THE COMMISSIONER IN  
32 ACCORDANCE WITH § 19-112 OF THIS ARTICLE, each insurer and the Maryland  
33 Automobile Insurance Fund shall file data about the geographic distribution of

1 private passenger premium written by the insurer and the Maryland Automobile  
2 Insurance Fund in the State for the preceding calendar year.

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

7 (c) ~~The data required under this section shall:~~

8 (1) ~~be filed with the Commissioner in the form required by the~~  
9 ~~Commissioner; and~~

10 (2) ~~at a minimum, detail the amount of private passenger premium~~  
11 ~~written by the insurer and the Maryland Automobile Insurance Fund and the amount~~  
12 ~~of residential property premium written by the insurer in the preceding calendar year~~  
13 ~~and the number of policies represented by that premium;~~

14 (i) ~~in the State as a whole; and~~

15 (ii) ~~in Baltimore City.~~

16 (d) ~~The data shall be submitted by each rating territory or each zip code, or~~  
17 ~~both.~~

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

21 {11-324.

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

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

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

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

28 (4) compute each insurer's market share in Baltimore City OR ANOTHER  
29 JURISDICTION, AS DETERMINED BY THE COMMISSIONER.}

30 {11-325.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5           (4)     ~~Unless otherwise exempted from the requirements of this section, the~~

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

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

15           (h)     ~~If the market share of private passenger premium written by a major~~  
16 ~~insurer in Baltimore City equals or exceeds 75% of the market share of private~~  
17 ~~passenger premium written by the major insurer in any year in the State, excluding~~  
18 ~~Baltimore City, the major insurer is not required to file a marketing plan under this~~  
19 ~~section for the following year.]~~

20 {11-326.

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

24                   (+)     (1)     shall be considered confidential commercial information;

25                   (+)     (2)     shall be kept confidential by the Commissioner; and

26                   (+)     (3)     may not be made public or be subject to subpoena, other  
27 than by the Commissioner for the purpose of enforcement of Part IV of this subtitle by  
28 the Commissioner.

29           (2)     (B)     The Commissioner:

30                   (+)     (1)     may release a list of the names of all insurers designated  
31 as major insurers; and

32                   (+)     (2)     may not release the particular market share of a major  
33 insurer in Baltimore City unless authorized by the insurer.

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

- 1           (2)     ~~The report shall provide information on:~~
- 2                     (i)     ~~the number of insurers actively engaged in providing coverage~~
- 3 ~~in Baltimore City;~~
- 4                     (ii)    ~~the market shares of insurers in the market in Baltimore City;~~
- 5                     (iii)   ~~the changes in market shares of insurers in the market in~~
- 6 ~~Baltimore City; and~~
- 7                     (iv)    ~~whether insurance is available from insurers other than the~~
- 8 ~~Maryland Automobile Insurance Fund.]~~

9 19-112.

10       (a)     The Commissioner may request by bulletin from a property and casualty

11 insurer, data that relates to policies written by the insurer.

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

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

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

15       (c)     Data requested by bulletin under this section shall be filed with the

16 Commissioner in a form required by the Commissioner.

17       (d)     (1)     A request by bulletin expires 2 years after the date of the request by

18 the Commissioner.

19               (2)     If the Commissioner needs additional data after the end of that

20 2-year period, the Commissioner shall issue another bulletin.

21       (e)     At least 15 days prior to granting an application under § 10-614 of the

22 State Government Article to inspect company-specific data that was requested by

23 bulletin under this section, the Commissioner shall notify the insurer that supplied

24 the data:

25               (1)     that the Commissioner has received an application to inspect data

26 filed by the insurer;

27               (2)     which data the Commissioner intends to disclose in granting the

28 application; and

29               (3)     that, within 7 days of receipt of the notice, the insurer has the

30 opportunity to provide any reason why the data is confidential commercial data or is

31 otherwise protected from disclosure under the Public Information Act.

32       (F)     (1)     ~~EACH AUTHORIZED INSURER THAT WRITES PRIVATE PASSENGER~~

33 ~~MOTOR VEHICLE INSURANCE IN THE STATE AND THE MARYLAND AUTOMOBILE~~

34 ~~INSURANCE FUND SHALL FILE, IN ACCORDANCE WITH THIS SECTION, DATA ABOUT~~

~~1 THE GEOGRAPHIC DISTRIBUTION OF PRIVATE PASSENGER PREMIUM WRITTEN BY  
2 THE INSURER AND THE MARYLAND AUTOMOBILE INSURANCE FUND IN THE STATE  
3 FOR THE PRECEDING CALENDAR YEAR.~~

~~4 (2) EACH AUTHORIZED INSURER THAT WRITES RESIDENTIAL PROPERTY  
5 INSURANCE IN THE STATE SHALL FILE, IN ACCORDANCE WITH THIS SECTION, DATA  
6 ABOUT THE GEOGRAPHIC DISTRIBUTION OF RESIDENTIAL PROPERTY PREMIUM  
7 WRITTEN BY THE INSURER IN THE STATE FOR THE PRECEDING CALENDAR YEAR.~~

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