

**Department of Legislative Services**  
 Maryland General Assembly  
 2001 Session

**FISCAL NOTE**

House Bill 926 (Delegates Krysiak and Minnick)  
 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 than the liability insurance carried on a nonfamily 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 A waiver is valid until withdrawn.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 nonfamily 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 insurance policies and binders issued, delivered, or renewed on or after October 1, 2001.

**Fiscal Summary**

**State Effect:** Special fund revenues would increase by an estimated \$75,000 from the \$125 form filing fee for insurers that elect to file a waiver form authorized by the bill. Expenditures would not be affected.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
SF Revenue	\$75,000	\$0	\$0	\$0	\$0
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$75,000	\$0	\$0	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** None.

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### **Analysis**

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

**State Revenues:** Each form and rate/rule filed with the Maryland Insurance Administration (MIA) is subject to a \$125 filing fee. MIA estimates that 200 insurers would each file two forms and a companion rate/rule because of the bill. Based on that estimate, special fund revenues to MIA would increase by \$75,000 in fiscal 2002.

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### **Additional Information**

**Prior Introductions:** Identical bills, SB 596 and HB 883 were introduced in the 2000 session and received unfavorable reports from the Senate Finance Committee and the House Economic Matters Committee, respectively.

**Cross File:** SB 349 (Senator Dorman) – Finance.

**Information Source(s):** Department of Legislative Services

**Fiscal Note History:** First Reader – February 21, 2001  
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