

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

Revised

Senate Bill 349

(Senator Dorman)

Finance

Economic Matters

Motor Vehicle Liability Insurance - Offer of Coverage - Family Exclusion

This bill requires an insurer to offer to the first named insured under a policy or binder of private passenger motor vehicle liability insurance, liability coverage for claims made by a family member in the same amount as the liability coverage carried for claims made by a nonfamily member. An insurer may not refuse to underwrite a first named insured because the first named insured requests or elects 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 \$25,000 from the \$125 filing fees for insurers that file forms, rates, and rules to comply with the bill. Expenditures would not be affected.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
SF Revenue	\$25,000	\$0	\$0	\$0	\$0
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$25,000	\$0	\$0	\$0	\$0

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

Local Effect: None.

Small Business Effect: None.

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 100 insurers would each file one form and a companion rate/rule because of the bill. Based on that estimate, special fund revenues to MIA would increase by \$25,000 in fiscal 2002.

Additional Information

Prior Introductions: Similar 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: HB 926 (Delegates Krysiak and Minnick) – Economic Matters.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader – February 14, 2001
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Analysis by: Ryan Wilson

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510