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By: **Chairman, Finance Committee (Departmental - Insurance  
Administration, Maryland)**

Introduced and read first time: January 15, 2002

Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Homeowner's Insurance and Private Passenger Motor Vehicle Insurance -**  
3                                   **Standards for Cancellation and Nonrenewal - Repeal of Sunset and Credit**  
4                                   **History**

5 FOR the purpose of prohibiting an insurer from refusing to underwrite a  
6 homeowner's insurance risk solely because of the credit history of the applicant  
7 or named insured; repealing a certain termination provision for certain  
8 standards for underwriting private passenger motor vehicle insurance and for  
9 the authority of certain insurers to request a certain finding by the Insurance  
10 Commissioner regarding confidential commercial information; and generally  
11 relating to standards for underwriting private passenger motor vehicle  
12 insurance and homeowner's insurance.

13 BY repealing and reenacting, with amendments,  
14 Article - Insurance  
15 Section 27-501(d)(2)  
16 Annotated Code of Maryland  
17 (1997 Volume and 2001 Supplement)

18 BY repealing and reenacting, without amendments,  
19 Article - Insurance  
20 Section 27-501(e)  
21 Annotated Code of Maryland  
22 (1997 Volume and 2001 Supplement)

23 BY repealing and reenacting, with amendments,  
24 Chapter 576 of the Acts of the General Assembly of 1998  
25 Section 3

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

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**Article - Insurance**

2 27-501.

3 (d) (2) With respect to homeowner's insurance, an insurer may not:

4 (i) cancel, refuse to renew, or otherwise terminate coverage for a  
5 homeowner's insurance risk because of a claim that occurred more than 3 years before  
6 the effective date of the policy or renewal; [or]7 (ii) refuse to underwrite a homeowner's insurance risk because of a  
8 claim that occurred more than 3 years before the date of [application] APPLICATION;  
9 OR10 (III) REFUSE TO UNDERWRITE A HOMEOWNER'S INSURANCE RISK  
11 SOLELY BECAUSE OF THE CREDIT HISTORY OF THE APPLICANT OR NAMED INSURED.12 (e) An insurer may not refuse to underwrite a private passenger motor vehicle  
13 insurance risk solely:14 (1) because the applicant or named insured previously obtained  
15 insurance coverage from any authorized insurer or the Maryland Automobile  
16 Insurance Fund; or

17 (2) because of the credit history of the applicant or named insured.

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**Chapter 576 of the Acts of 1998**19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take  
20 effect October 1, 1998. [It shall remain effective for a period of 4 years and, at the end  
21 of September 30, 2002, with no further action required by the General Assembly, this  
22 Act shall be abrogated and of no further force and effect.]23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
24 effect July 1, 2002.