
By: **Chairman, Economic Matters Committee (By Request - Departmental - Insurance Administration, Maryland)**

Introduced and read first time: February 2, 2004

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Private Passenger Motor Vehicle Insurance - Use of Credit History - Repeal**
3 **of Sunset**

4 FOR the purpose of repealing a provision that terminates, as of a certain date, a
5 provision that authorizes an insurer that rates a new private passenger motor
6 vehicle insurance policy based on the credit history of the applicant to provide a
7 certain discount or impose a certain surcharge under certain circumstances; and
8 generally relating to the use of credit history in rating private passenger motor
9 vehicle insurance policies.

10 BY repealing and reenacting, without amendments,
11 Article - Insurance
12 Section 27-501(e-2)(5)
13 Annotated Code of Maryland
14 (2002 Replacement Volume and 2003 Supplement)

15 BY repealing and reenacting, with amendments,
16 Chapter 580 of the Acts of the General Assembly of 2002
17 Section 5

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

20 **Article - Insurance**

21 27-501.

22 (e-2) (5) With respect to private passenger motor vehicle insurance, an insurer
23 that rates a new policy based, in whole or in part, on the credit history of the
24 applicant may, if actuarially justified, provide a discount of up to 40% or impose a
25 surcharge of up to 40%.

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Chapter 580 of the Acts of 2002

2 SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
3 take effect October 1, 2002. [Section 2 of this Act shall remain effective for a period of
4 2 years and, at the end of September 30, 2004, with no further action required by the
5 General Assembly, Section 2 of this Act shall be abrogated and of no further force and
6 effect.]

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 2004.