

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 1144 (Delegate McDonough)
Economic Matters

Task Force to Study the Insurance Industry Response to Tropical Storm Isabel

This bill establishes a Task Force to Study the Insurance Industry Response to Tropical Storm Isabel, staffed by the Department of Legislative Services (DLS) and the Maryland Insurance Administration (MIA). The bill requires the task force to study and make recommendations regarding the response and performance of private insurers and the National Flood Insurance Plan to Tropical Storm Isabel. The task force is required to report its findings and recommendations by December 1, 2004.

The bill takes effect June 1, 2004 and terminates May 31, 2005.

Fiscal Summary

State Effect: None. Any expense reimbursements for the task force members and staffing costs for MIA and DLS are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Background: According to news reports shortly after the event, damage from Tropical Storm Isabel in Maryland totaled approximately \$4 billion. This damage estimate includes damages to home owners, businesses, wage losses, and lost opportunities. As of March 2004, the Federal Emergency Management Agency had approved approximately

\$94.9 million in aid to Marylanders because of Isabel-related storm damage. Of that, approximately \$31.3 million was for individuals and households. The State Department of Assessments and Taxation has adjusted assessments downward by approximately \$108.7 million on over 3,200 properties as a result of the storm. Final, more accurate tallies on the storm's damage are not yet available.

MIA advises that it has received over 1,300 inquiries regarding damage from the storm. These inquiries have resulted in over 280 formal complaints.

State Expenditures: DLS advises that it will likely be able to handle staffing duties with existing resources, depending upon the number of other task forces or commissions that are established during the 2004 legislative session.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Insurance Administration, Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2004
mam/ljm

Analysis by: Ryan Wilson

Direct Inquiries to:
(410) 946-5510
(301) 970-5510