

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 1573

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Insurance” and substitute “Motor Vehicle Liability Insurance”; in line 3, strike “an insurer” and substitute “certain insurers”; strike beginning with “with” in line 4 down through “insurance;” in line 15 and substitute “; requiring a policy of motor vehicle liability insurance issued under a pilot program to provide certain coverage; requiring an insurer that seeks approval to conduct a pilot program to file certain information with and pay certain fees to the Maryland Insurance Commissioner; providing that information provided by an insurer to the Commissioner under this Act shall be considered proprietary information and may not be disclosed without the prior consent of the insurer; prohibiting an insurer from conducting a pilot program until the Commissioner has approved certain rates, rules, underwriting standards, and forms; specifying the duration of a pilot program; authorizing an insurer to terminate a pilot program under certain circumstances; providing that an approved pilot program is exempt from certain provisions of law with a certain exception; defining a certain term;”; and in line 16, strike “lines of” and substitute “motor vehicle liability”.

AMENDMENT NO. 2

On page 1, in line 19, after “5.” insert “Motor Vehicle Liability”.

On page 2, in line 2, after “5.” insert “MOTOR VEHICLE LIABILITY”.

AMENDMENT NO. 3

On pages 2 through 4, strike in their entirety the lines beginning with line 4 on page 2 through line 4 on page 4, inclusive, and substitute:

“(A) IN THIS SECTION, “PILOT PROGRAM” MEANS A PROGRAM UNDER WHICH MOTOR VEHICLE LIABILITY INSURANCE:

(Over)

(1) IS OFFERED IN THE STATE BY AN AUTHORIZED INSURER USING RATES, RULES, UNDERWRITING STANDARDS, OR FORMS THAT ARE NOT USED IN SIMILAR COMBINATIONS IN CONNECTION WITH OTHER MOTOR VEHICLE LIABILITY INSURANCE OFFERED BY THE INSURER IN THE STATE; AND

(2) IS MADE AVAILABLE TO LESS THAN ALL INSUREDS AND APPLICANTS WHO MEET THE UNDERWRITING STANDARDS AND OTHER ELIGIBILITY REQUIREMENTS OF THE PROGRAM.

(B) A POLICY OF MOTOR VEHICLE LIABILITY INSURANCE ISSUED UNDER A PILOT PROGRAM SHALL PROVIDE THE MINIMUM LIABILITY COVERAGE SPECIFIED IN TITLE 17 OF THE TRANSPORTATION ARTICLE.

(C) AN INSURER THAT SEEKS APPROVAL TO CONDUCT A PILOT PROGRAM SHALL:

(1) FILE WITH THE COMMISSIONER:

(I) THE RATES, RULES, UNDERWRITING STANDARDS, AND FORMS THAT WILL BE USED IN THE PILOT PROGRAM;

(II) ANY CRITERIA IN ADDITION TO THE INSURER'S RULES AND UNDERWRITING STANDARDS THAT WILL BE USED TO RESTRICT ELIGIBILITY FOR THE PILOT PROGRAM; AND

(III) THE TIME PERIOD DURING WHICH THE PILOT PROGRAM WILL BE CONDUCTED; AND

(2) PAY ANY FILING FEES PROVIDED UNDER THIS ARTICLE OR REQUIRED BY THE COMMISSIONER.

(D) INFORMATION PROVIDED BY AN INSURER TO THE COMMISSIONER UNDER THIS SECTION SHALL BE CONSIDERED PROPRIETARY INFORMATION AND MAY NOT BE DISCLOSED WITHOUT THE PRIOR CONSENT OF THE INSURER.

(E) (1) AN INSURER MAY NOT CONDUCT A PILOT PROGRAM UNTIL THE COMMISSIONER HAS APPROVED THE RATES, RULES, UNDERWRITING STANDARDS, AND FORMS FILED WITH THE COMMISSIONER UNDER SUBSECTION (C) OF THIS SECTION.

(2) ANY MODIFICATION OF THE RATES, RULES, UNDERWRITING STANDARDS, AND FORMS INITIALLY APPROVED BY THE COMMISSIONER MUST BE FILED WITH THE COMMISSIONER BEFORE USE.

(F) THE COMMISSIONER MAY NOT APPROVE A PILOT PROGRAM FOR WHICH THE SOLE UNDERWRITING STANDARD IS THE NUMBER OF MILES TRAVELED BY THE INSURED MOTOR VEHICLE.

(G) A PILOT PROGRAM SHALL REMAIN IN EFFECT FOR THE PERIOD SPECIFIED BY THE INSURER UNDER SUBSECTION (C)(1)(III) OF THIS SECTION UNLESS BEFORE THE END OF THE PERIOD:

(1) THE INSURER TERMINATES THE PILOT PROGRAM UNDER SUBSECTION (H) OF THIS SECTION; OR

(2) THE COVERAGE OFFERED UNDER THE PILOT PROGRAM IS MADE AVAILABLE BY THE INSURER TO ANY PERSON WHO MEETS THE UNDERWRITING STANDARDS AND OTHER ELIGIBILITY REQUIREMENTS FOR COVERAGE.

(H) AN INSURER MAY TERMINATE A PILOT PROGRAM BY SENDING WRITTEN NOTICE BY CERTIFICATE OF MAILING TO EACH PERSON INSURED UNDER THE PILOT PROGRAM AT LEAST 45 DAYS BEFORE THE DATE OF THE PROPOSED TERMINATION, UNLESS THE COMMISSIONER APPROVES A SHORTER NOTICE PERIOD.

(I) (1) APPROVAL OF A PILOT PROGRAM BY THE COMMISSIONER SHALL BE CONCLUSIVE EVIDENCE THAT THE PROGRAM SATISFIES THE REQUIREMENTS OF § 27-501 OF THIS ARTICLE.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, AN APPROVED PILOT PROGRAM IS EXEMPT FROM §§ 2-202, 2-210, 11-306, 11-307, 11-308, 11-309, 11-310, 11-311, 11-313, 11-314, 11-317, 11-318, 11-321, 11-322, 11-323, 11-324, 11-325, 11-326, 11-341, 11-342, 11-501, 11-502, 11-503, 27-603, 27-605, 27-606, AND 27-609 OF THIS ARTICLE.

(3) AN APPROVED PILOT PROGRAM SHALL COMPLY WITH THE PROVISIONS OF § 27-605(D) OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31 of each year, the Maryland Insurance Commissioner shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the General Assembly on pilot programs approved under this Act. The report shall describe each approved pilot program and indicate the time period in which it was or will be conducted. In complying with this section, the Commissioner may include the information in its annual report under § 2-110 of the Insurance Article.”.

On page 4, in line 5, strike “2.” and substitute “3.”.