

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

House Bill 1410
Economic Matters

(Delegate Murray, *et al.*)

Motor Vehicle Insurance Parity Act

This bill provides that, for purposes of a policy or binder of motor vehicle insurance, the named insured includes unmarried, unrelated individuals if they: (1) are co-owners of a motor vehicle; (2) are both listed on the vehicle's certificate of title; and (3) apply together for insurance to cover the vehicle.

The bill applies to motor vehicle insurance policies and policies issued, delivered, or renewed on or after October 1, 2005.

Fiscal Summary

State Effect: Special fund revenues would increase in FY 2006 to the extent insurers make filings under the bill with the Maryland Insurance Administration (MIA). Expenditures would not be affected.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: Generally, the named insured is the person denominated in the declarations in a motor vehicle insurance policy under the provisions governing primary coverage. A policy may have more than one named insured. A named insured is entitled to specified coverages under a motor vehicle insurance policy.

State Revenues: Motor vehicle insurers that exclude unrelated, unmarried individuals as named insureds under their policies would be required to make rate and form filings with MIA. Each rate and each form filed would be subject to the \$125 filing fee. Special fund revenues would increase in fiscal 2006 to the extent insurers make filings under the bill. The number of filings that would be made under the bill cannot be accurately estimated but is assumed to be minimal.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 21, 2005
ncs/ljm

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