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6lr1440 CF 6lr1392

By: Delegates Vaughn and Love
Introduced and read first time: January 23, 2006
Assigned to: Economic Matters

	A BILL ENTITLED
1	AN ACT concerning
2	Insurance - Prior Approval Rating Law - Exempt Commercial Policyholders
3 4 5 6 7 8	FOR the purpose of altering the annual property and casualty insurance premium dollar amount threshold above which certain insurance policy forms and endorsements issued to certain commercial policyholders are exempt from certain form filing requirements under prior approval insurance rating law; altering a certain definition; and generally relating to prior approval insurance rating law.
9 10 11 12 13	BY repealing and reenacting, with amendments, Article - Insurance Section 11-206(j) Annotated Code of Maryland (2003 Replacement Volume and 2005 Supplement)
14 15	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
16	Article - Insurance
17	11-206.
18 19	(j) (1) In this subsection, "exempt commercial policyholder" means a person that:
	(i) pays annual aggregate property and casualty premiums for commercial insurance policies issued in the State during the current or preceding calendar year of [\$75,000] \$25,000 or more; and
23	(ii) meets any two of the following criteria:
24 25	1. generates annual revenues or sales in excess of \$10,000,000;
26	2. possesses a net worth in excess of \$5,000,000;

34 October 1, 2006.

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1	3. employs at least 25 full-time employees;
2 3	4. is a nonprofit organization or public body with an annual budget of at least \$10,000,000; or
4 5	5. is a municipal corporation with a population of at least 15,000.
	(2) The filing requirements of this section do not apply to policy forms and endorsements and to modifications of policy forms and endorsements issued to an exempt commercial policyholder.
11	(3) (i) An exempt commercial policyholder must certify in writing, on a form approved by the Commissioner, to the insurer issuing coverage and the Commissioner that it meets the criteria necessary for exemption from form filing requirements.
13	(ii) The certification must include:
14 15	1. specific reference to the optional criteria that the insured has satisfied to qualify as an exempt commercial policyholder;
	2. information required by the Commissioner for the purpose of determining the annual aggregate premiums of the insured for purposes of paragraph (1)(i) of this subsection; and
	3. an acknowledgment by the insured that the policy form, endorsement, or modification intended for use has not been filed with the Commissioner.
22 23	(4) This subsection does not apply to the filing of workers' compensation insurance policy forms.
	(5) The Commissioner may require, by regulation, that insurers provide information to the Administration on the number and types of policies written for exempt commercial policyholders under this subsection.
	(6) On written request of the Commissioner, an insurer shall file with the Commissioner a form or endorsement issued to an exempt commercial policyholder.
	(7) Except for the exemption from form filing requirements under this section, a form or endorsement issued to an exempt commercial policyholder is subject to all applicable provisions of this article.
33	SECTION 2 AND BE IT FURTHER ENACTED. That this Act shall take effect