
By: **Delegates McHale, Conroy, Harrison, Impallaria, Kirk, Krysiak, Miller,
Minnick, Moe, and Parrott**

Introduced and read first time: February 10, 2006

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance - Maryland Automobile Insurance Fund - Offers of Coverage -**
3 **Limitation**

4 FOR the purpose of providing that, with respect to private passenger auto liability
5 insurance, the Maryland Automobile Insurance Fund may offer only certain
6 insurance coverages; providing that a certain provision of this Act does not
7 prohibit the Fund from offering benefits in an amount that exceeds a specified
8 minimum security; and generally relating to insurance coverages offered by the
9 Maryland Automobile Insurance Fund.

10 BY repealing and reenacting, with amendments,
11 Article - Insurance
12 Section 20-503
13 Annotated Code of Maryland
14 (2002 Replacement Volume and 2005 Supplement)

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

17 **Article - Insurance**

18 20-503.

19 (a) Each policy issued by the Fund shall contain the minimum coverages
20 required under Title 19, Subtitle 5 of this article and may contain other provisions
21 determined by the Executive Director and approved by the Board of Trustees and the
22 Commissioner.

23 (b) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, WITH RESPECT
24 TO PRIVATE PASSENGER AUTO LIABILITY INSURANCE, THE FUND MAY OFFER ONLY
25 THE FOLLOWING INSURANCE COVERAGES:

26 (I) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
27 MINIMUM SECURITY SPECIFIED IN § 17-103 OF THE TRANSPORTATION ARTICLE;

1 (II) COLLISION COVERAGE, IN ACCORDANCE WITH § 19-512 OF THIS
2 ARTICLE; AND

3 (III) COMPREHENSIVE COVERAGE.

4 (2) THIS SUBSECTION DOES NOT PROHIBIT THE FUND FROM OFFERING
5 BENEFITS IN AN AMOUNT THAT EXCEEDS THE MINIMUM SECURITY SPECIFIED IN §
6 17-103 OF THE TRANSPORTATION ARTICLE.

7 (C) At the time a policy of private passenger auto liability insurance is issued
8 to an applicant, the Fund shall include in the policy a written notice to the applicant
9 that contains the following disclosures:

10 (1) the time and the conditions under which the applicant is eligible to
11 seek insurance from an Association member;

12 (2) that if the applicant seeks insurance from an Association member,
13 the Association member may not refuse to underwrite the private passenger auto
14 liability insurance risk solely because the applicant or named insured previously
15 obtained insurance from the Fund; and

16 (3) that if the applicant seeks insurance from an Association member
17 and the Association member refuses to underwrite the applicant solely because the
18 applicant or named insured previously obtained insurance from the Fund, the
19 applicant may file a complaint with the Commissioner against that Association
20 member.

21 [(c)] (D) Whenever the Fund issues a policy of commercial auto liability
22 insurance under this subtitle, the Fund:

23 (1) may provide coverages in addition to and in excess of the minimum
24 coverages required by Title 19, Subtitle 5 of this article and by Title 17 of the
25 Transportation Article; but

26 (2) is not required to provide coverages in addition to and in excess of the
27 required minimum coverages except to the extent that reinsurance for the additional
28 or excess coverage is available and acceptable to the Fund.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2006.