

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

Senate Bill 912
Finance

(Senator Jones)

Commission to Study Homeowner's and Private Passenger Motor Vehicle
Insurance Rates

This bill establishes a Commission to Study Homeowner's and Private Passenger Motor Vehicle Insurance Rates to: (1) conduct a survey and analysis of the availability and affordability of these types of insurance in the State; (2) conduct a review and analysis of trends in premium rates for these types of insurance, both statewide and by geographic region of the State; (3) evaluate the effect of natural disasters outside the State on Maryland's insurance rates; (4) evaluate whether the current rate-making systems result in fair and equitable rates; and (5) make recommendations for legislative changes to State rate-making laws to make homeowner's and private passenger motor vehicle insurance more affordable and available to Maryland consumers.

The Department of Legislative Services (DLS) is required to staff the commission. The commission is required to report its findings and recommendations by January 1, 2007.

The bill takes effect June 1, 2006 and terminates May 31, 2007.

Fiscal Summary

State Effect: Any staffing requirements could be handled within the existing resources of DLS.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: None applicable.

Background: The Automobile Insurance Task Force to Study Rates in Urban Areas, which was not established by statute, met several times during the 2005 interim. The task force, which was staffed by the Maryland Insurance Administration, studied some of the motor vehicle insurance issues that the commission established under this bill must study; however, the task force did not make a final report or issue any formal recommendations.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 9, 2006
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