

SENATE BILL 789

C4

71r2697
CF 71r2570

By: **Senator Astle**

Introduced and read first time: February 14, 2007

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Automobile Insurance Fund – Authority of Commissioner to**
3 **Impose Penalties and Restitution**

4 FOR the purpose of authorizing the Maryland Insurance Commissioner to impose a
5 certain penalty on the Maryland Automobile Insurance Fund for a violation of
6 the Insurance Article; authorizing the Commissioner to require the Fund to
7 make restitution to a certain person under certain circumstances; and generally
8 relating to the Maryland Automobile Insurance Fund.

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 4–113(d)
12 Annotated Code of Maryland
13 (2003 Replacement Volume and 2006 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Insurance
16 Section 20–201
17 Annotated Code of Maryland
18 (2006 Replacement Volume and 2006 Supplement)

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

21 **Article – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 4-113.

2 (d) (1) Instead of or in addition to suspending or revoking a certificate of
3 authority **OF AN INSURER**, the Commissioner may:

4 [(1)] (I) impose on the holder a penalty of not less than \$100 but not
5 more than \$125,000 for each violation of this article; and

6 [(2)] (II) require the holder to make restitution to any person who has
7 suffered financial injury because of the violation of this article.

8 (2) **THE PROVISIONS OF THIS SUBSECTION APPLY TO THE**
9 **MARYLAND AUTOMOBILE INSURANCE FUND.**

10 20-201.

11 (a) There is a Maryland Automobile Insurance Fund.

12 (b) The Fund is a member of the Property and Casualty Insurance Guaranty
13 Corporation.

14 (c) In addition to the provisions of this title, the Fund is subject to:

15 (1) Title 2, Subtitle 5 of this article; **AND**

16 (2) **§ 4-113(D) OF THIS ARTICLE.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2007.