

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 875

(Senator Garagiola)

Finance

Economic Matters

Surplus Lines Insurance - Date of Filing Affidavit

This bill changes the date, from the forty-fifth day after the last day of the month to the forty-fifth day after the last day of the calendar quarter in which the insurance was placed, by which the affidavit by a surplus lines broker containing specified information must be filed with the Maryland Insurance Commissioner.

Fiscal Summary

State Effect: The bill's changes could be handled with the existing budgeted resources of the Maryland Insurance Administration.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Surplus lines insurance may be procured from an insurer that does not hold a certificate of authority from the Insurance Commissioner under specified circumstances. However, a surplus lines broker is required to file with the Commissioner an affidavit containing specified eligibility information about obtaining surplus lines insurance. The affidavit must be filed by the forty-fifth day after the last day of the month in which the surplus lines insurance was placed.

Background: Surplus lines insurance is the full amount or kind of insurance needed to protect the interest of the insured that: (1) cannot be obtained from an authorized insurer;

or (2) for insurance to provide coverage against liability for certain medical malpractice claims, cannot be obtained from three or more authorized medical malpractice insurers.

Additional Information

Prior Introductions: None.

Cross File: HB 1241 (Delegate Manno) – Economic Matters.

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

Fiscal Note History: First Reader - March 9, 2007
ncs/ljm

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