

HOUSE BILL 164

C4

9lr0045

By: **Chair, Economic Matters Committee (By Request – Departmental – Insurance Administration, Maryland)**

Introduced and read first time: January 26, 2009

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Automobile Liability and Homeowner's Insurance – Surcharges, Retiering,**
3 **and Removal or Reduction of Discounts**

4 FOR the purpose of prohibiting an insurer, with respect to automobile liability
5 insurance and homeowner's insurance, from imposing a surcharge, retiering a
6 risk, or removing or reducing a discount under certain circumstances; and
7 generally relating to automobile liability insurance and homeowner's insurance.

8 BY repealing and reenacting, with amendments,
9 Article – Insurance
10 Section 27–501(d)(1) and (2)
11 Annotated Code of Maryland
12 (2006 Replacement Volume and 2008 Supplement)

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

15 **Article – Insurance**

16 27–501.

17 (d) (1) With respect to automobile liability insurance, an insurer may not:

18 (i) cancel, refuse to renew, [or] otherwise terminate coverage,
19 **IMPOSE A SURCHARGE, OR REMOVE OR REDUCE A DISCOUNT** for an automobile
20 insurance risk, **OR RETIER AN AUTOMOBILE INSURANCE RISK**, because of a claim,
21 traffic violation, or traffic accident that occurred more than 3 years before the effective
22 date of the policy or renewal; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) refuse to underwrite an automobile insurance risk because
2 of a claim, traffic violation, or traffic accident that occurred more than 3 years before
3 the date of application.

4 (2) With respect to homeowner's insurance, an insurer may not:

5 (i) cancel, refuse to renew, [or] otherwise terminate coverage,
6 **IMPOSE A SURCHARGE, OR REMOVE OR REDUCE A DISCOUNT** for a homeowner's
7 insurance risk, **OR RETIER A HOMEOWNER'S INSURANCE RISK**, because of a claim
8 that occurred more than 3 years before the effective date of the policy or renewal; or

9 (ii) refuse to underwrite a homeowner's insurance risk because
10 of a claim that occurred more than 3 years before the date of application.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2009.