

HOUSE BILL 1082

C4

1lr1745

By: **Delegates Braveboy and Hucker**

Introduced and read first time: February 11, 2011

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowner's Insurance – Model Information – People's Insurance Counsel**

3 FOR the purpose of requiring that the People's Insurance Counsel Division shall have
4 access to certain information in certain insurer filings concerning rates,
5 issuance, and renewal of homeowner's insurance; requiring the Division to
6 maintain the confidentiality of certain information; and generally relating to
7 homeowner's insurance, risk planning models, and the People's Insurance
8 Counsel Division.

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 19–211
12 Annotated Code of Maryland
13 (2006 Replacement Volume and 2010 Supplement)

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

16 **Article – Insurance**

17 19–211.

18 (a) (1) If an insurer uses a catastrophic risk planning model or other
19 model in setting homeowner's insurance rates or refusing to issue or renew
20 homeowner's insurance because of the geographic location of the risk, the insurer
21 shall:

22 (i) file with the Commissioner a description of the specific
23 model used in setting the rate or refusing to issue or renew homeowner's insurance
24 because of the geographic location of the risk; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) make arrangements for the vendor of the model to explain to
2 the Commissioner the data used in the model and the manner in which the output is
3 obtained.

4 (2) If at any time an insurer changes the catastrophic risk planning
5 model or other model upon which it is relying, the insurer shall notify the
6 Commissioner of the change and comply with paragraph (1) of this subsection.

7 **(b) IF THE PEOPLE’S INSURANCE COUNSEL DIVISION DETERMINES**
8 **THAT THE INTERESTS OF INSURANCE CONSUMERS ARE AFFECTED BY AN**
9 **INSURER FILING THAT USES A CATASTROPHIC RISK PLANNING MODEL OR**
10 **OTHER MODEL, THE DIVISION SHALL HAVE FULL ACCESS TO FILINGS MADE**
11 **UNDER SUBSECTION (A) OF THIS SECTION.**

12 **(c) (1)** The information filed under subsection (a) of this section is
13 proprietary and confidential commercial information under § 10–617(d) of the State
14 Government Article.

15 **(2) THE PEOPLE’S INSURANCE COUNSEL DIVISION SHALL**
16 **MAINTAIN THE CONFIDENTIALITY OF ANY PROPRIETARY AND CONFIDENTIAL**
17 **COMMERCIAL INFORMATION TO WHICH THE DIVISION OBTAINS ACCESS UNDER**
18 **SUBSECTION (B) OF THIS SECTION.**

19 **[(c)] (D)** The Commissioner may adopt regulations to implement the
20 provisions of this section.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 June 1, 2011.