

**HB0472/350516/1**

BY: Environmental Matters Committee

AMENDMENTS TO HOUSE BILL 472  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in lines 2 and 3, strike “Reduction of Lead Risk in Housing – Creation of Lead Poisoning Compensation Fund” and substitute “Workgroup on Lead Liability Protection for Rental Property”; strike beginning with “establishing” in line 4 down through “poisoning” in line 28 and substitute “requiring the Maryland Insurance Commissioner to convene a certain workgroup to examine certain issues; requiring the workgroup to include certain representatives; requiring the Commissioner to report the findings and any recommendations of the workgroup on or before a certain date; and generally relating to lead liability insurance for rental property”.

On pages 1 and 2, strike in their entirety the lines beginning with line 29 on page 1 through line 24 on page 2, inclusive.

AMENDMENT NO. 2

On pages 2 through 16, strike in their entirety the lines beginning with line 25 on page 2 through line 20 on page 16, inclusive, and substitute:

“SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) The Maryland Insurance Commissioner shall convene a workgroup to evaluate and make recommendations relating to lead liability protection for owners of pre-1978 rental property.

(b) The workgroup required under this section shall include:

(Over)

- (1) one member of the Senate of Maryland, appointed by the President of the Senate;
- (2) two members of the House of Delegates, appointed by the Speaker of the House;
- (3) the Secretary of the Environment, or the Secretary's designee;
- (4) the Secretary of Housing and Community Development, or the Secretary's designee;
- (5) the Secretary of Health and Mental Hygiene, or the Secretary's designee; and
- (6) representatives of the following:
  - (i) the Judiciary;
  - (ii) the insurance industry;
  - (iii) owners of pre-1978 rental property; and
  - (iv) childhood lead poisoning advocacy groups;
- (7) representatives with expertise in legal claims arising out of lead poisoning, including retired judges and attorneys representing plaintiffs and defendants;
- (8) representatives from academic institutions with expertise in insurance and actuarial science; and

(9) any other representative the Commissioner determines to be included in the workgroup.

(c) The workgroup shall evaluate:

(1) the feasibility of encouraging the existing insurance marketplace to provide lead liability coverage for owners of pre-1978 rental property;

(2) the feasibility of establishing other mechanisms for providing lead liability insurance coverage for owners of pre-1978 rental property;

(3) (i) the feasibility of establishing an insurance fund for lead liability insurance coverage;

(ii) the accounting and financial reporting standards that should apply to an insurance fund;

(iii) the minimum surplus requirements that should be met by an insurance fund, including appropriate amounts to maintain in relation to an insurance fund's risk;

(iv) the appropriate underwriting standards to be applied to relevant policies;

(v) the level of premiums that might be necessary to support policies in an actuarially sound manner;

(vi) whether an insurance fund should be subject to Maryland's premium tax obligations;

(vii) projected start-up and ongoing administrative costs associated with the establishment of an insurance fund; and

(Over)

(viii) any other relevant matters identified in the course of the study;

(4) the feasibility of a modified qualified offer framework, arbitration, or other alternative dispute resolution mechanism;

(5) the feasibility of a compensation fund instead of an insurance fund;  
and

(6) the extent to which private risk management tools such as insurance and bonds are available on the commercial market.

(d) On or before December 1, 2012, the Commissioner shall report the findings of the workgroup required under this section and any recommendations of the workgroup to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2012.”.