

SB1006/257774/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 1006
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, after “Fund;” insert “requiring the Fund, on or before a certain date to report to certain legislative committees on certain information concerning the implementation of a certain commission payment structure;”.

AMENDMENT NO. 2

On page 2, after line 8, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) On or before October 1, 2014, the Maryland Automobile Insurance Fund shall report, in accordance with § 2–1246 of the State Government Article, to the Senate Finance Committee and the House Economic Matters Committee on the Fund’s implementation of a commission payment structure that provides commissions of at least 10%, but not more than 15%, to Fund producers.

(b) The report shall provide information on whether and how the commission payment structure has:

(i) incentivized Fund producers to use advanced electronic technology in issuing and administering Fund policies, including the number of Fund producers using the advanced electronic technology since the inception of the commission payment structure;

(ii) incentivized Fund producers to devote additional resources for retaining current policyholders, reaching out to policyholders who had canceled midterm or did not rewrite, and marketing to uninsured motorists;

(Over)

(iii) resulted in a savings in administrative costs for the Fund, including the functions and services performed by Fund producers intended to achieve the savings; and

(iv) resulted in fewer uninsured motorists in the State, including the functions and services performed by Fund producers intended to reduce the number of uninsured motorists, the number of uninsured motorists who obtained insurance from the Fund since the inception of the commission payment structure, and any efforts by the Fund to identify uninsured motorists.”;

in line 9, strike “2.” and substitute “3.”; and in line 10, strike “October” and substitute “July”.