

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 1017
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, at the top of the page, insert “EMERGENCY BILL”; strike in their entirety lines 2 and 3 and substitute “TASK FORCE TO STUDY MARYLAND INSURANCE OF LAST RESORT PROGRAMS”; in line 4, after “of” insert “establishing the Task Force to Study Maryland Insurance of Last Resort Programs; providing for the composition, chair, and staffing of the Task Force; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Task Force to study and make recommendations regarding certain matters; requiring the Task Force to report its findings to the General Assembly on or before a certain date; making this Act an emergency measure; providing for the termination of this Act; and generally relating to the Task Force to Study Maryland Insurance of Last Resort Programs.”.

On pages 1 through 3, strike beginning with “converting” in line 4 on page 1 down through “Supplement)” in line 19 on page 3.

AMENDMENT NO. 2

On page 3, in line 21, strike “the Laws of Maryland read as follows”; after line 21, insert:

“(a) There is a Task Force to Study Maryland Insurance of Last Resort Programs.

(b) The Task Force consists of the following members:

(1) three members of the Senate of Maryland, appointed by the President of the Senate;

(Over)

(2) three members of the House of Delegates, appointed by the Speaker of the House;

(3) the Commissioner of the Maryland Insurance Administration, or the Commissioner's designee; and

(4) the following members, appointed by the Governor:

(i) a representative of the property and casualty insurance industry;

(ii) a representative of the private passenger automobile insurance industry;

(iii) a representative of the Injured Workers' Insurance Fund;

(iv) a representative of the Maryland Automobile Insurance Fund;

(v) a representative of the Property and Casualty Insurance Guaranty Corporation;

(vi) a representative of the Maryland Health Insurance Plan;

(vii) a representative of the Joint Insurance Association;

(viii) a representative of the Consumer Protection Division of the Office of the Attorney General; and

(ix) a representative of the public.

(c) The Governor shall designate the chair of the Task Force.

(d) The Department of Legislative Services shall provide staff for the Task Force.

(e) A member of the Task Force:

(1) may not receive compensation as a member of the Task Force; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Task Force shall study and make recommendations regarding:

(1) potential benefits to the State from the affiliation of one or more of the State-created insurers of last resort;

(2) potential legal and corporate structures for such an affiliation, including whether the affiliation should be accomplished through a holding company structure;

(3) the extent to which the affiliation would support or impair each entity in performing its statutory duties;

(4) whether each entity should retain a separate existence with its own board of directors or governing committees;

(5) the extent to which an affiliation would affect the State's ability to regulate the entities in terms of solvency, rates, and market conduct;

(6) the extent to which an affiliation would affect the financial condition of any of the entities and whether safeguards are necessary to protect policyholders and other stakeholders;

(Over)

(7) whether or not each entity should be financially independent and the extent of responsibility, if any, of each entity for the debts or liabilities of the other entities;

(8) the tax status of the affiliated entity and the effect of the affiliation on the tax status of each entity with respect to federal, State, and local taxation;

(9) whether the Joint Insurance Association should become an authorized insurer with a broader mandate;

(10) whether the Maryland Automobile Insurance Fund should be converted to a statutorily created private, nonprofit, and nonstock insurer for automobile and other forms of insurance;

(11) whether and under what circumstances any subsidiaries should be permitted to issue dividends; and

(12) any other relevant issues or considerations identified by the Task Force.

(g) On or before December 1, 2012, the Task Force shall report its findings and recommendations, including any proposed legislation, to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2-1246 of the State Government Article.”.

On pages 3 through 27, strike in their entirety the lines beginning with line 22 on page 3 through line 26 on page 27, inclusive.

On page 27, in line 27, strike “6.” and substitute “2.”; and in lines 27 and 28 strike “shall take effect October 1, 2012” and substitute “is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been”

passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted. It shall remain effective through May 31, 2013, and, at the end of May 31, 2013, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect”.