

SENATE BILL 436

C4

5l1626
CF 5l2398

By: **Senator Astle**

Introduced and read first time: February 6, 2015

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Insurance Commissioner – Prior Approval Rate Making – Exemptions**

3 FOR the purpose of exempting from the prior approval rate making process certain kinds
4 of insurance and certain types of insurance coverage; and generally relating to
5 approval of insurance rates and forms by the Maryland Insurance Commissioner.

6 BY repealing and reenacting, with amendments,

7 Article – Insurance

8 Section 11–202

9 Annotated Code of Maryland

10 (2011 Replacement Volume and 2014 Supplement)

11 BY repealing and reenacting, without amendments,

12 Article – Insurance

13 Section 11–206(a)(1), (f), and (g)(3)

14 Annotated Code of Maryland

15 (2011 Replacement Volume and 2014 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

17 That the Laws of Maryland read as follows:

18 **Article – Insurance**

19 11–202.

20 (a) (1) This subtitle applies to all types of insurers.

21 (2) Except as provided in subsection (b) of this section, this subtitle applies
22 to:

23 (i) property insurance;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (ii) casualty insurance;
- 2 (iii) surety insurance;
- 3 (iv) marine insurance; and
- 4 (v) wet marine and transportation insurance.

5 (b) This subtitle does not apply to:

- 6 (1) reinsurance, except as provided in § 11–222 of this subtitle;
- 7 (2) insurance of vessels or craft or their cargoes, marine protection and
8 indemnity insurance, or insurance of other risks commonly insured under policies of marine
9 insurance, as distinguished from inland marine insurance;
- 10 (3) insurance against loss of or damage to aircraft including their
11 accessories and equipment, or insurance against liability, other than workers'
12 compensation insurance or employer's liability insurance, arising out of the ownership,
13 maintenance, or use of aircraft;
- 14 (4) title insurance; [or]
- 15 (5) the Chesapeake Employers' Insurance Company;
- 16 **(6) WORKERS' COMPENSATION INSURANCE;**
- 17 **(7) THE FOLLOWING TYPES OF MOTOR VEHICLE COVERAGE:**
- 18 **(I) PHYSICAL DAMAGE COVERAGE FOR LIMOUSINES;**
- 19 **(II) PHYSICAL DAMAGE COVERAGE FOR TRUCKS, INCLUDING**
20 **TRAILERS AND TRAILER INTERCHANGE (OVER 10,000 POUNDS) FOR NONFLEET**
21 **(ONE TO FIVE) RISKS AND COMMERCIAL FLEET (OVER FIVE) RISKS IRRESPECTIVE**
22 **OF GROSS VEHICLE WEIGHT; AND**
- 23 **(III) PHYSICAL DAMAGE COVERAGE FOR PRIVATE PASSENGER**
24 **AND COMMERCIAL VEHICLES WITH AN ORIGINAL COST WHEN NEW OF \$60,000 OR**
25 **MORE;**
- 26 **(8) PRODUCT LIABILITY PRODUCTS OR PRODUCTS RECALL**
27 **COVERAGE;**

1 **(9) PROFESSIONAL LIABILITY COVERAGE, INCLUDING ERRORS AND**
2 **OMISSIONS COVERAGE;**

3 **(10) AUTOMOBILE PERSONAL INJURY PROTECTION (PIP) COVERAGE**
4 **IN EXCESS OF \$250,000;**

5 **(11) COMMERCIAL AUTOMOBILE LIABILITY COVERAGE FOR TAXICABS**
6 **AND LIMOUSINES IF THE ELIGIBLE SURPLUS LINES INSURER'S CERTIFICATE OF**
7 **ELIGIBILITY STATES THAT THE INSURER IS PERMITTED TO WRITE THE RISK;**

8 **(12) COMMERCIAL AUTOMOBILE LIABILITY COVERAGE FOR**
9 **INTERMEDIATE AND LONG-HAUL TRUCKING IF THE ELIGIBLE SURPLUS LINES**
10 **INSURER'S CERTIFICATE OF ELIGIBILITY STATES THAT THE INSURER IS PERMITTED**
11 **TO WRITE THE RISK;**

12 **(13) COMMERCIAL PROPERTY COVERAGE; OR**

13 **(14) FLOOD INSURANCE FOR PRIMARY OR EXCESS COVERAGE.**

14 (c) If a kind of insurance, subdivision or combination of kinds of insurance, or
15 type of coverage is subject to this subtitle and is also subject to regulation by another rate
16 regulatory provision of the statutes of the State, an insurer to which both provisions are
17 otherwise applicable shall file with the Commissioner a designation as to which rate
18 regulatory provision is applicable to it with respect to that kind of insurance, subdivision
19 or combination of kinds of insurance, or type of coverage.

20 11-206.

21 (a) (1) Except as otherwise provided in this section, each insurer shall file with
22 the Commissioner all rates, supplementary rate information, policy forms, and
23 endorsements and all modifications of rates, supplementary rate information, policy forms,
24 and endorsements that the insurer proposes to use.

25 (f) The Commissioner shall review each filing as soon as reasonably possible after
26 it is made to determine whether it meets the requirements of this subtitle.

27 (g) (3) A filing is deemed approved unless disapproved by the Commissioner
28 during the waiting period or any extension of the waiting period.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2015.