

SENATE BILL 290

C4

7lr1941

By: **Senator Middleton**

Introduced and read first time: January 20, 2017

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Automobile Insurance Fund – Motor Vehicle Liability Insurance**
3 **Policies – Eligibility and Producer Charge**

4 FOR the purpose of authorizing and requiring the Maryland Automobile Insurance Fund,
5 under certain circumstances, to sell, issue, and deliver a motor vehicle liability
6 insurance policy that provides a certain security to a person that is eligible for a
7 policy under a certain provision of this Act and has a certain license; providing that
8 a person that commutes to a full-time job in the State and resides in a state that is
9 immediately adjacent to this State is eligible for a certain policy; increasing the
10 maximum charge that a fund producer may charge and collect as actual expenses
11 incurred in placing automobile insurance with the Fund; and generally relating to
12 the Fund and motor vehicle liability insurance policies.

13 BY repealing and reenacting, with amendments,
14 Article – Insurance
15 Section 20–502(a) and (b) and 27–216(b)(2)(iv)
16 Annotated Code of Maryland
17 (2011 Replacement Volume and 2016 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article – Insurance
20 Section 20–502(d) and 27–216(b)(1)
21 Annotated Code of Maryland
22 (2011 Replacement Volume and 2016 Supplement)

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

25 **Article – Insurance**

26 20–502.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) On payment of the premium set by the Fund, the Fund is authorized to and
 2 shall sell, issue, and deliver a policy that provides the security required under § 17–103 of
 3 the Transportation Article to a person:

4 (1) (I) that owns a covered vehicle registered with the Motor Vehicle
 5 Administration[,];

6 (II) THAT has a license issued by the Motor Vehicle Administration
 7 to drive a covered vehicle[, or];

8 (III) THAT is a lessee under a “lease not intended as security”, as
 9 defined in § 11–127.1(b) of the Transportation Article; OR

10 (IV) 1. THAT IS ELIGIBLE FOR A POLICY UNDER SUBSECTION
 11 (B)(6) OF THIS SECTION; AND

12 2. THAT HAS A LICENSE TO DRIVE A COVERED VEHICLE
 13 ISSUED BY THE MOTOR VEHICLE LICENSING AUTHORITY IN THE PERSON’S STATE OF
 14 DOMICILE;

15 (2) that does not owe to the Fund:

16 (i) an unpaid premium with respect to a policy that has expired or
 17 been canceled; or

18 (ii) a claim payment obtained by fraud;

19 (3) that:

20 (i) has attempted in good faith to obtain a policy that provides the
 21 security required under § 17–103 of the Transportation Article from at least two Association
 22 members and has been rejected or refused the policy by two Association members for any
 23 reason other than nonpayment of premiums; or

24 (ii) has had a policy that provides the security required under §
 25 17–103 of the Transportation Article canceled or nonrenewed by an Association member
 26 for any reason other than nonpayment of premiums; and

27 (4) that meets the requirements of subsection (b) of this section.

28 (b) To be eligible for a policy issued under this subtitle, a person must:

29 (1) be domiciled in the State;

1 (2) own, lease, or rent a primary place of residence in the State and,
2 regardless of the person's domicile, reside in the State for more than 1 year;

3 (3) maintain a main or branch office or warehouse facility in the State, and
4 base and operate motor vehicles intrastate in the State;

5 (4) have filed as a State resident for income tax purposes; [or]

6 (5) have a nonresident permit issued under § 13-402.1(e) of the
7 Transportation Article; **OR**

8 **(6) (I) COMMUTE TO A FULL-TIME JOB IN THE STATE; AND**

9 **(II) RESIDE IN A STATE THAT IS IMMEDIATELY ADJACENT TO**
10 **THE STATE.**

11 (d) The eligibility of an applicant for insurance from the Fund shall be certified
12 at a time and in a manner approved by the Fund.

13 27-216.

14 (b) (1) A person may not willfully collect a premium or charge for insurance
15 that:

16 (i) exceeds or is less than the premium or charge applicable to that
17 insurance under the applicable classifications and rates as filed with and approved by the
18 Commissioner; or

19 (ii) if classifications, premiums, or rates are not required by this
20 article to be filed with and approved by the Commissioner, exceeds or is less than the
21 premium or charge specified in the policy and set by the insurer.

22 (2) Paragraph (1) of this subsection does not prohibit:

23 (iv) a fund producer from charging and collecting, as actual expenses
24 incurred in placing automobile insurance with the Maryland Automobile Insurance Fund:

25 1. a maximum charge of **[\$10] \$25** plus \$1 more than the
26 actual charge by the Motor Vehicle Administration for a driving record required to be
27 presented with the application, unless otherwise provided by the Fund; or

28 2. the amount provided in subsection (e) of this section.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2017.