

# HOUSE BILL 1038

I3, C4

9lr2241

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By: **Delegates Cox and Boteler**

Introduced and read first time: February 8, 2019

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Guaranteed Automobile Protection – Liability**

3 FOR the purpose of providing that the Maryland Consumer Protection Act applies to  
4 certain professional services of a certain insurance company or a certain insurance  
5 producer with respect to certain activities in connection with guaranteed automobile  
6 protection insurance policies; providing that a certain insurer that is found to have  
7 knowingly violated certain provisions of law with respect to a guaranteed automobile  
8 protection insurance policy is liable for certain amounts to certain persons; defining  
9 “guaranteed automobile protection insurance policy”; and generally relating to  
10 consumer protection and automobile insurance.

11 BY renumbering

12 Article – Insurance

13 Section 1–101(p) through (tt), respectively

14 to be Section 1–101(q) through (uu), respectively

15 Annotated Code of Maryland

16 (2017 Replacement Volume and 2018 Supplement)

17 BY repealing and reenacting, with amendments,

18 Article – Commercial Law

19 Section 13–104

20 Annotated Code of Maryland

21 (2013 Replacement Volume and 2018 Supplement)

22 BY repealing and reenacting, without amendments,

23 Article – Insurance

24 Section 1–101(a) and 27–102

25 Annotated Code of Maryland

26 (2017 Replacement Volume and 2018 Supplement)

27 BY adding to

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Insurance  
2 Section 1–101(p) and 27–106  
3 Annotated Code of Maryland  
4 (2017 Replacement Volume and 2018 Supplement)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
6 That Section(s) 1–101(p) through (tt), respectively, of Article – Insurance of the Annotated  
7 Code of Maryland be renumbered to be Section(s) 1–101(q) through (uu), respectively.

8 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
9 as follows:

10 **Article – Commercial Law**

11 13–104.

12 **(A)** This title does not apply to:

13 (1) The professional services of a certified public accountant, architect,  
14 clergyman, professional engineer, lawyer, veterinarian, [insurance company authorized to  
15 do business in the State, insurance producer licensed by the State,] Christian Science  
16 practitioner, land surveyor, property line surveyor, chiropractor, optometrist, physical  
17 therapist, podiatrist, real estate broker, associate real estate broker, or real estate  
18 salesperson, or medical or dental practitioner;

19 **(2) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE**  
20 **PROFESSIONAL SERVICES OF AN INSURANCE COMPANY AUTHORIZED TO DO**  
21 **BUSINESS IN THE STATE OR AN INSURANCE PRODUCER LICENSED BY THE STATE;**

22 **[(2)] (3)** A public service company, to the extent that the company’s  
23 services and operations are regulated by the Public Service Commission; or

24 **[(3)] (4)** A television or radio broadcasting station or a publisher or  
25 printer of a newspaper, magazine, or other form of printed advertising who broadcasts,  
26 publishes, or prints an advertisement which violates this title, unless the station, publisher,  
27 or printer engages in an unfair or deceptive trade practice in the sale of its own goods or  
28 services or has knowledge that the advertising is in violation of this title.

29 **(B) (1) IN THIS SUBSECTION, “GUARANTEED AUTOMOBILE PROTECTION**  
30 **INSURANCE POLICY” HAS THE MEANING STATED IN § 1–101 OF THE INSURANCE**  
31 **ARTICLE.**

32 **(2) THIS TITLE APPLIES TO THE PROFESSIONAL SERVICES OF AN**  
33 **INSURANCE COMPANY AUTHORIZED TO DO BUSINESS IN THE STATE OR AN**  
34 **INSURANCE PRODUCER LICENSED BY THE STATE WITH RESPECT TO THE OFFER OF,**

1 SALE OF, AND CLAIMS MADE UNDER A GUARANTEED AUTOMOBILE PROTECTION  
2 INSURANCE POLICY.

3 **Article – Insurance**

4 1–101.

5 (a) In this article the following words have the meanings indicated.

6 (P) **“GUARANTEED AUTOMOBILE PROTECTION INSURANCE POLICY” MEANS**  
7 **A POLICY OF INSURANCE UNDER WHICH AN INSURER AGREES TO COVER THE**  
8 **FINANCIAL DIFFERENCE BETWEEN THE ACTUAL CASH VALUE OF A DAMAGED OR**  
9 **STOLEN MOTOR VEHICLE AND THE AMOUNT OWED ON THE MOTOR VEHICLE UNDER**  
10 **A LOAN OR LEASE.**

11 27–102.

12 A person may not engage in the State in a trade practice that is defined in this title  
13 as, or determined under this title to be, an unfair method of competition or an unfair or  
14 deceptive act or practice in the business of insurance.

15 **27–106.**

16 **IN ADDITION TO ANY OTHER SANCTION OTHERWISE AVAILABLE UNDER THIS**  
17 **TITLE, AN INSURER THAT IS FOUND TO HAVE KNOWINGLY VIOLATED ANY PROVISION**  
18 **OF THIS TITLE WITH RESPECT TO A GUARANTEED AUTOMOBILE PROTECTION**  
19 **INSURANCE POLICY SHALL BE LIABLE TO THE NAMED INSURED ON THE INSURANCE**  
20 **POLICY FOR:**

21 **(1) THREE TIMES THE DIFFERENCE BETWEEN THE ACTUAL CASH**  
22 **VALUE OF THE DAMAGED OR STOLEN VEHICLE, BEFORE ANY DAMAGE INCURRED AT**  
23 **THE TIME OF THE MOTOR VEHICLE ACCIDENT, AND THE AMOUNT OWED ON THE**  
24 **MOTOR VEHICLE UNDER THE LOAN OR LEASE; AND**

25 **(2) REASONABLE ATTORNEY’S FEES.**

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 October 1, 2019.