

HOUSE BILL 1159

C4

5lr3091

By: **Delegates Wivell, Baker, and Valentine**

Introduced and read first time: February 6, 2025

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Property and Casualty Insurance – Minimum Acceptable Loss Ratio**
3 **and Premium Refunds**

4 FOR the purpose of establishing a minimum acceptable loss ratio for property and casualty
5 insurers and requiring the insurer to refund a certain amount of premiums paid by
6 an insured if the insurer’s loss ratio does not meet or exceed the established loss
7 ratio; and generally relating to property and casualty insurance.

8 BY adding to

9 Article – Insurance

10 Section 19–118

11 Annotated Code of Maryland

12 (2017 Replacement Volume and 2024 Supplement)

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

15 **Article – Insurance**

16 **19–118.**

17 **(A) IN THIS SECTION, “PROPERTY AND CASUALTY LOSS RATIO” MEANS THE**
18 **INSURER’S INCURRED CLAIMS FOR THE YEAR DIVIDED BY THE INSURER’S PREMIUM**
19 **REVENUE FOR THE REPORTING YEAR.**

20 **(B) THE MINIMUM ACCEPTABLE PROPERTY AND CASUALTY LOSS RATIO**
21 **DURING A POLICY YEAR IS 85%.**

22 **(C) FOR EACH POLICY YEAR, IF AN INSURER’S PROPERTY AND CASUALTY**
23 **LOSS RATIO DOES NOT MEET OR EXCEED THE MINIMUM ACCEPTABLE PROPERTY**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 AND CASUALTY LOSS RATIO ESTABLISHED UNDER SUBSECTION (B) OF THIS
2 SECTION, THE INSURER SHALL PROVIDE A REBATE TO EACH INSURED IN AN AMOUNT
3 EQUAL TO THE PRODUCT OF:

4 (1) THE TOTAL AMOUNT OF PREMIUM REVENUE RECEIVED BY THE
5 INSURER FROM THE INSURED, AFTER:

6 (I) SUBTRACTING FEDERAL AND STATE TAXES AND LICENSING
7 AND REGULATORY FEES; AND

8 (II) ACCOUNTING FOR PAYMENTS OR RECEIPTS FOR RISK
9 ADJUSTMENT AND REINSURANCE; AND

10 (2) THE DIFFERENCE BETWEEN THE MINIMUM ACCEPTABLE
11 PROPERTY AND CASUALTY LOSS RATIO ESTABLISHED UNDER SUBSECTION (B) OF
12 THIS SECTION AND THE INSURER'S ACTUAL PROPERTY AND CASUALTY LOSS RATIO.

13 (D) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS
14 SECTION.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2025.