

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 551  
Finance

(Senator Bailey, *et al.*)

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Private Passenger Motor Vehicle Insurance - Collisions With Wild Animals -  
Prohibited Actions by Insurers

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This bill prohibits an insurer from raising the premium, adding a surcharge, or removing, altering, or refusing to consider a discount for a private passenger motor vehicle insurance policy based on accidents or losses caused by a collision with a free-roaming wild animal and for which the insured was not at fault for the loss.

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Fiscal Summary

**State Effect:** Minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) in FY 2026 only from rate and form filing fees. Enforcement can be handled using existing budgeted resources. General fund revenues may be affected, as discussed below.

**Maryland Automobile Insurance Fund (MAIF) Effect:** The bill is not anticipated to affect MAIF operations or finances because MAIF advises that it does not adjust its premiums for any not-at-fault losses.

**Local Effect:** The bill does not materially affect local government operations or finances.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** MIA and the Insurance Commissioner's statutory and regulatory duties include, among other things, certifying insurers to operate in the State, reviewing and approving the rates and forms used by insurers, and licensing and certifying insurance

professionals. MIA and the Commissioner have broad authority to enforce the requirements and prohibitions that apply to insurers and insurance professionals. For example, depending on the type of violation and following the administrative processes required by Insurance law and regulations, the Commissioner is authorized to issue orders directing insurers or insurance professionals to take certain actions, impose administrative penalties, and suspend or revoke certifications and/or licenses.

Insurance law applied for private passenger motor vehicle insurance does not include any requirements, exceptions, or other specifications related to accidents and losses caused by a collision with a free-roaming wild animal.

A private passenger motor vehicle insurer may not cancel or refuse to renew coverage based on the claims history of an insured where two or fewer of the claims within the preceding three-year period were for accidents or losses where the insured was not at fault for the loss. Insurance law also prohibits various types of insurers from using specified events and circumstances to increase the premium for an insurance policy. For example, a private passenger motor vehicle insurer or a homeowner's insurer may not increase the premium for an insured who becomes a surviving spouse based solely on the insured's change in marital status. Additionally, no insurer may use an insured's status as an organ donor to increase premium rates for an insurance policy.

Furthermore, current law specifies certain requirements and procedures that must be followed by a private passenger motor vehicle insurer when it proposes to cancel, refuse to renew, reduce coverage for, or increase the premium of a policy. For example, an insurer may not terminate a policy mid-term, except in limited circumstances (*e.g.*, nonpayment of a premium), and an insurer must send notice to an insured in a specified manner when it proposes to reduce the coverage provided by the policy. Additionally, when proposing to increase the premium of a policy, an insurer must notify the policyholder of certain information directly related to the premium increase, including the policyholder's rate classification and the factors that may cause or contribute to an increase in the policy's premiums.

**State Revenues:** Title 6 of the Insurance Article imposes a 2% premium tax on each authorized insurance company, surplus lines broker, or unauthorized insurance company that sells, or an individual who independently procures, any type of insurance coverage upon a risk that is located in the State. Revenues accrue to the general fund.

Currently available information indicates that private passenger automobile insurers in the State are uncertain as to what effect the bill has on premiums for private passenger automobile insurance policies. While insurers would be unable to increase premiums based on the accidents and losses specified under the bill, insurers may choose to adjust their

premiums in other ways. Thus, the direction and extent of any impact on general fund revenues from the premium tax cannot be reliably estimated at this time.

**Additional Comments:** The Department of Natural Resources (DNR) advises there are between 30,000 and 35,000 deer-vehicle collisions in Maryland annually. DNR estimates that these collisions cause around \$150.0 million in damages per year.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See SB 172 and HB 1387 of 2024.

**Designated Cross File:** None.

**Information Source(s):** Department of Natural Resources; Maryland Insurance Administration; Maryland Automobile Insurance Fund; Department of Legislative Services

**Fiscal Note History:** First Reader - February 9, 2025  
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