

HB0816/813525/1

BY: Judiciary Committee

AMENDMENTS TO HOUSE BILL 816
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “**and Young**” and substitute “**Young, Simmons, Moreno, and Conaway**”; strike beginning with “– **Purpose**” in line 2 down through “**Program**” in line 3 and substitute “**Program and Industry Automobile Insurance Association Assessments**”; strike beginning with “altering” in line 4 down through “affordable;” in line 6 and substitute “altering the cap on a certain assessment allocation percentage required to be calculated by the Board of Directors of the Industry Automobile Insurance Association;”; in line 6, after the second “the” insert “Maryland Automobile Insurance”; in line 7, after “program” insert “subject to certain requirements and modification under certain circumstances”; in line 11, after “20–101(a),” insert “(b), (d).”; in line 16, strike “20–301(a)” and substitute “20–405(d)”; and after line 18, insert:

“BY adding to

Article – Insurance

Section 20–521

Annotated Code of Maryland

(2017 Replacement Volume and 2025 Supplement)”.

AMENDMENT NO. 2

On page 1, after line 23, insert:

“(b) “Association” means the Industry Automobile Insurance Association.

“(d) “Board of Directors” means the Board of Directors of the Association.”.

On page 2, strike in their entirety lines 3 through 6, inclusive, and substitute:

“20-405.

(d) (1) The Board of Directors shall calculate assessment allocation percentages for commercial auto and private passenger auto divisions by dividing the most recent certified assessment for commercial auto and private passenger auto divisions by the total of:

(i) the respective aggregate net direct written premiums obtained under subsection (c) of this section; and

(ii) the respective total net direct written premiums of the Fund for the same period.

(2) The assessment allocation percentage for the private passenger auto division may not exceed [3%] 1%.”;

and strike beginning with “**THAT**” in line 23 down through “**ARTICLE**” in line 25 and substitute “**IN ACCORDANCE WITH § 20-521 OF THIS SUBTITLE**”.

On page 3, after line 3, insert:

“20-521.

(A) IN THIS SECTION, “AFFORDABILITY PROGRAM” MEANS A PROGRAM THAT LIMITS THE MAXIMUM PREMIUM RATE FOR A POLICY OF PRIVATE PASSENGER AUTO INSURANCE ISSUED BY THE FUND IN AN AMOUNT THAT MAY BE INADEQUATE.

(B) SUBJECT TO REVIEW AND APPROVAL BY THE COMMISSIONER, THE EXECUTIVE DIRECTOR MAY ESTABLISH AN AFFORDABILITY PROGRAM IF:

(1) RATES ARE NOT EXCESSIVE OR UNFAIRLY DISCRIMINATORY;
AND

(2) THE AFFORDABILITY PROGRAM DOES NOT RESULT IN:

(I) AN OVERALL INADEQUACY GREATER THAN 20% OF THE FUND'S NET WRITTEN PREMIUM; OR

(II) AN ASSESSMENT ALLOCATION PERCENTAGE THAT EXCEEDS THE LIMIT ESTABLISHED IN § 20-405(D) OF THIS TITLE.

(C) AN INDIVIDUAL IS ELIGIBLE FOR A POLICY THROUGH THE AFFORDABILITY PROGRAM IF THE INDIVIDUAL:

(1) MEETS THE ELIGIBILITY REQUIREMENTS FOR POLICYHOLDERS UNDER § 20-502 OF THIS SUBTITLE; AND

(2) HAS A HOUSEHOLD INCOME THAT IS NOT MORE THAN 250% OF THE FEDERAL POVERTY LEVEL.

(D) THE COMMISSIONER MAY REQUIRE THE FUND TO MODIFY THE AFFORDABILITY PROGRAM IF THE COMMISSIONER DETERMINES THAT:

(1) THE RATES OFFERED THROUGH THE AFFORDABILITY PROGRAM DO NOT MEET THE REQUIREMENTS OF THIS SECTION;

(2) THE AFFORDABILITY PROGRAM WILL NO LONGER MEET THE CONDITION ESTABLISHED UNDER SUBSECTION (B)(2)(I) OR (II) OF THIS SECTION;
OR

(3) THE AFFORDABILITY PROGRAM VIOLATES OTHER PROVISIONS OF THIS ARTICLE TO WHICH THE FUND IS SUBJECT.

(E) THE COMMISSIONER MAY NOT DISAPPROVE OR REQUIRE THE MODIFICATION OF AN AFFORDABILITY PROGRAM BASED ON THE FUND'S NONCOMPLIANCE WITH § 20-306 OF THIS TITLE.”;

in line 5, strike “October” and substitute “July”; and in the same line, strike “2026” and substitute “2027”.