

CHAPTER 292

(Senate Bill 351)

AN ACT to repeal and re-enact, with amendments, Section 223 (15) of Article 48A of the Annotated Code of Maryland (1957 Edition), title "Insurance", sub-title "Surety, Casualty, Liability and Compensation Insurance", generally amending the insurance laws of this State with relation to the so-called assigned risk plan.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 223 (15) of Article 48A of the Annotated Code of Maryland (1957 Edition), title "Insurance", sub-title "Surety, Casualty, Liability and Compensation Insurance", be and it is hereby repealed and re-enacted, with amendments, to read as follows:

223.

15. Assigned Risks

(a) Agreements may be made among insurers with respect to the equitable apportionment among them of insurance which may be afforded applicants who are in good faith entitled to but who are unable to procure such insurance through ordinary methods and such insurers may agree among themselves on the use of reasonable rate modifications for such insurance, such agreements and rate modifications to be subject to the approval of the Commissioner.

(b) *Every insurer undertaking to transact in this State the business of automobile and motor vehicle bodily injury and property damage liability insurance and every rating organization which files rates for such insurance shall co-operate in the preparation and submission of a plan or plans for the equitable apportionment among insurers of applicants for insurance who are in good faith entitled to, but who are unable to procure through ordinary methods, such insurance. Such a plan or plans shall provide: (1) reasonable rules governing the equitable distribution of risks by direct insurance, reinsurance or otherwise and their assignment to insurers; (2) rates and rate modifications applicable to such risks which shall not be excessive, inadequate or unfairly discriminatory; (3) the limits of liability which the insurer shall be required to assume; (4) a method whereby applicants for insurance, insureds and insurers may have a hearing on grievances and the right of appeal to the Commissioner. Every such plan shall be filed in writing with the Commissioner. The Commissioner shall review the plan as soon as reasonably possible after filing in order to determine whether it meets the requirements set forth in (1), (2), (3) and (4) above. Each plan unless sooner approved in writing shall be on file for a waiting period of 30 days before it becomes effective. A plan shall be deemed approved unless disapproved by the Commissioner within the waiting period. Subsequent to the waiting period, the Commissioner may disapprove any plan on the ground that it does not meet the requirements set forth in (1), (2), (3) and (4) above, but only*

EXPLANATION: *Italics indicate new matter added to existing law.*

[Brackets] indicate matter stricken from existing law.

CAPITALS indicate amendments to bill.

~~Strike out~~ indicates matter stricken out of bill.