

INSURED BECAUSE THE FIRST NAMED INSURED REQUESTS OR ELECTS THE LIABILITY COVERAGE FOR CLAIMS MADE BY FAMILY MEMBERS IN AN AMOUNT EQUAL TO THE COVERAGE PROVIDED FOR CLAIMS MADE BY NONFAMILY MEMBERS.

(2) AN INSURER THAT VIOLATES THIS SUBSECTION IS SUBJECT TO THE PENALTIES PROVIDED IN §§ 4-113 AND 4-114 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That the Insurance Commissioner shall study the impact on motor vehicle liability insurance rates as a result of requiring insurers to offer to the first named insured liability coverage for claims made by a family member in the same amount as the liability coverage for claims made by a nonfamily member, as provided under this Act. On or before January 10, 2008, the Commissioner shall report, subject to § 2-1246 of the State Government Article, the findings to the General Assembly.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall apply to all private passenger motor vehicle liability insurance policies and binders issued, delivered, or renewed in the State on or after ~~October 1, 2004~~ January 1, 2005.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2004.

May 26, 2004

The Honorable Michael E. Busch
Speaker of the House
State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed House Bill 504 – *Private Passenger Motor Vehicle Insurance – Use of Credit History – Repeal of Sunset*.

This bill repeals a provision that terminates, at the end of September 30, 2004, a provision that authorizes an insurer that rates a new private passenger motor vehicle insurance policy based on the credit history of the applicant to provide a discount of up to 40% or impose a surcharge of up to 40% if actuarially justified. It also requires the Maryland Insurance Administration to report to specified committees of the General Assembly by December 1, 2004.

Senate Bill 101, which was passed by the General Assembly and signed by me on April 27, 2004, accomplishes the same purpose. Therefore, it is not necessary for me to sign House Bill 504.

Very truly yours,
Robert L. Ehrlich, Jr.
Governor