

FOR the purpose of repealing a provision that terminates, as of a certain date, 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 certain discount or impose a certain surcharge under certain circumstances; requiring the Maryland Insurance Administration to submit a certain report; and generally relating to the use of credit history in rating private passenger motor vehicle insurance policies.

BY repealing and reenacting, without amendments,
 Article – Insurance
 Section 27-501(e-2)(5)
 Annotated Code of Maryland
 (2002 Replacement Volume and 2003 Supplement)

BY repealing and reenacting, with amendments,
 Chapter 580 of the Acts of the General Assembly of 2002
 Section 5

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

Article – Insurance

27-501.

(e-2)(5) With respect to private passenger motor vehicle insurance, an insurer that rates a new policy based, in whole or in part, on the credit history of the applicant may, if actuarially justified, provide a discount of up to 40% or impose a surcharge of up to 40%.

Chapter 580 of the Acts of 2002

SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2002. [Section 2 of this Act shall remain effective for a period of 2 years and, at the end of September 30, 2004, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Insurance Administration shall report to the Senate Finance Committee and House Economic Matters Committee on or before December 1, 2004, in accordance with § 2-1246 of the State Government Article, on the status and findings of the study in which Maryland has joined with 14 other member states of the National Association of Insurance Commissioners on whether credit scoring has a disparate impact on minority and low-income individuals.

SECTION 2. 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ July 1, 2004.

Approved April 27, 2004.