

SENATE BILL 342

C4

4r1554
CF 4r1822

By: **Senator Middleton**

Introduced and read first time: January 22, 2014

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Property and Casualty Insurance – Filing of Supplementary Rate**
3 **Information – Public Inspection**

4 FOR the purpose providing that certain supplementary rate information filed with the
5 Insurance Commissioner is subject to certain protections for trade secret and
6 confidential commercial information under certain circumstances; providing for
7 a certain notice; providing that certain supplementary rate information filed
8 with the Insurance Commissioner may not be open to public inspection for a
9 specified period of time; providing for the application of this Act; and generally
10 relating to public inspection of supplementary rate information.

11 BY repealing and reenacting, without amendments,
12 Article – Insurance
13 Section 11–101(a), (c), and (e), 11–202(a), 11–206(a) and (b), and 11–307(a)(1)
14 Annotated Code of Maryland
15 (2011 Replacement Volume and 2013 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Insurance
18 Section 11–206(d) and 11–307(c)
19 Annotated Code of Maryland
20 (2011 Replacement Volume and 2013 Supplement)

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

23 **Article – Insurance**

24 11–101.

25 (a) In this title the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (c) "Rate" means rate of premium, policy or membership fee, or another
2 charge made by an insurer for or in connection with an insurance contract or policy.

3 (e) "Supplementary rate information" includes a manual or plan of rates,
4 statistical plan, classification, rating schedule, minimum premium, policy fee, rating
5 rule, rate-related underwriting rule, minimum rate, class rate, rating plan, manual or
6 schedule of rates or premiums, rule or regulation that governs the setting or making of
7 rates or premiums, and any other information, not otherwise inconsistent with the
8 purposes of this title, that the Commissioner requires by regulation.

9 11-202.

10 (a) (1) This subtitle applies to all types of insurers.

11 (2) Except as provided in subsection (b) of this section, this subtitle
12 applies to:

13 (i) property insurance;

14 (ii) casualty insurance;

15 (iii) surety insurance;

16 (iv) marine insurance; and

17 (v) wet marine and transportation insurance.

18 11-206.

19 (a) (1) Except as otherwise provided in this section, each insurer shall file
20 with the Commissioner all rates, supplementary rate information, policy forms, and
21 endorsements and all modifications of rates, supplementary rate information, policy
22 forms, and endorsements that the insurer proposes to use.

23 (2) Each filing shall state its proposed effective date and shall indicate
24 the character and extent of the coverage contemplated.

25 (b) (1) (i) If a filing is not accompanied by the information on which
26 the insurer supports the filing and the Commissioner does not have sufficient
27 information to determine whether the filing meets the requirements of this subtitle,
28 the Commissioner shall require the insurer to provide supporting information for the
29 filing within 60 days.

30 (ii) If the Commissioner requires the filer to provide supporting
31 information, the waiting period under subsection (g) of this section begins on the date
32 the supporting information is provided.

- 1 (2) The information provided in support of a filing may include:
- 2 (i) the judgment of the filer;
- 3 (ii) the filer's interpretation of any statistical data relied on;
- 4 (iii) the experience of other filers; and
- 5 (iv) any other relevant factors.

6 (d) **(1) [A] EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF**
7 **THIS SUBSECTION, A** filing and any supporting information shall be open to public
8 inspection as soon as filed.

9 **(2) SUPPLEMENTARY RATE INFORMATION FILED UNDER THIS**
10 **SECTION SHALL BE SUBJECT TO THE PROTECTION FOR TRADE SECRET AND**
11 **CONFIDENTIAL COMMERCIAL INFORMATION UNDER § 10-617(D) OF THE STATE**
12 **GOVERNMENT ARTICLE IF:**

13 **(I) AN INSURER FILING THE SUPPLEMENTARY RATE**
14 **INFORMATION:**

15 **1. DESIGNATES THE INFORMATION AS TRADE**
16 **SECRET OR CONFIDENTIAL COMMERCIAL INFORMATION; AND**

17 **2. INCLUDES IN THE FILING AN EXPLANATION OF**
18 **THE BASIS FOR THE DESIGNATION; AND**

19 **(II) THE COMMISSIONER DETERMINES THAT THE**
20 **SUPPLEMENTARY RATE INFORMATION CONSTITUTES TRADE SECRET OR**
21 **CONFIDENTIAL COMMERCIAL INFORMATION UNDER § 10-617(D) OF THE STATE**
22 **GOVERNMENT ARTICLE.**

23 **(3) IF THE COMMISSIONER DETERMINES THAT SUPPLEMENTARY**
24 **RATE INFORMATION FILED UNDER THIS SECTION DOES NOT CONSTITUTE TRADE**
25 **SECRET OR CONFIDENTIAL COMMERCIAL INFORMATION UNDER § 10-617(D) OF**
26 **THE STATE GOVERNMENT ARTICLE:**

27 **(I) THE COMMISSIONER SHALL NOTIFY THE INSURER OF**
28 **THE COMMISSIONER'S DETERMINATION IN WRITING; AND**

1 **(II) THE SUPPLEMENTAL RATE INFORMATION MAY NOT BE**
2 **OPEN TO PUBLIC INSPECTION UNTIL AT LEAST 10 DAYS AFTER THE DATE WHEN**
3 **THE NOTICE UNDER ITEM (I) OF THIS PARAGRAPH IS SENT TO THE INSURER.**

4 11-307.

5 (a) (1) Except as otherwise provided in this subsection, each authorized
6 insurer and each rating organization that has been designated by an insurer for the
7 filing of rates under subsection (b) of this section shall file with the Commissioner all
8 rates and supplementary rate information and all changes and amendments of rates
9 and supplementary information made by it for use in the State on or before the date
10 they become effective.

11 (c) (1) **[Each] EXCEPT AS PROVIDED IN PARAGRAPHS (3) AND (4) OF**
12 **THIS SUBSECTION, EACH** filing and any supporting information filed under this
13 subtitle shall be open to public inspection as soon as filed.

14 (2) On request and payment of a reasonable charge, a person may
15 obtain copies of a filing and any supporting information.

16 **(3) SUPPLEMENTARY RATE INFORMATION FILED UNDER THIS**
17 **SECTION SHALL BE SUBJECT TO THE PROTECTION FOR TRADE SECRET AND**
18 **CONFIDENTIAL COMMERCIAL INFORMATION UNDER § 10-617(D) OF THE STATE**
19 **GOVERNMENT ARTICLE IF:**

20 **(I) AN INSURER FILING THE SUPPLEMENTARY RATE**
21 **INFORMATION:**

22 **1. DESIGNATES THE INFORMATION AS TRADE**
23 **SECRET OR CONFIDENTIAL COMMERCIAL INFORMATION; AND**

24 **2. INCLUDES IN THE FILING AN EXPLANATION OF**
25 **THE BASIS FOR THE DESIGNATION; AND**

26 **(II) THE COMMISSIONER DETERMINES THAT THE**
27 **SUPPLEMENTARY RATE INFORMATION CONSTITUTES TRADE SECRET OR**
28 **CONFIDENTIAL COMMERCIAL INFORMATION UNDER § 10-617(D) OF THE STATE**
29 **GOVERNMENT ARTICLE.**

30 **(4) IF THE COMMISSIONER DETERMINES THAT SUPPLEMENTARY**
31 **RATE INFORMATION FILED UNDER THIS SECTION DOES NOT CONSTITUTE TRADE**
32 **SECRET OR CONFIDENTIAL COMMERCIAL INFORMATION UNDER § 10-617(D) OF**
33 **THE STATE GOVERNMENT ARTICLE:**

1 **(I) THE COMMISSIONER SHALL NOTIFY THE INSURER OF**
2 **THE COMMISSIONER'S DETERMINATION IN WRITING; AND**

3 **(II) THE SUPPLEMENTAL RATE INFORMATION MAY NOT BE**
4 **OPEN TO PUBLIC INSPECTION UNTIL AT LEAST 10 DAYS AFTER THE DATE WHEN**
5 **THE NOTICE UNDER ITEM (I) OF THIS PARAGRAPH IS SENT TO THE INSURER.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
7 supplementary rate information filed with the Insurance Commissioner on or after the
8 effective date of this Act.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 June 1, 2014.