

MARTIN O'MALLEY  
Governor

ANTHONY G. BROWN  
Lt. Governor



RALPH S. TYLER  
Commissioner

BETH SAMMIS  
Deputy Commissioner

525 St. Paul Place, Baltimore, Maryland 21202-2272  
1-800-492-6116 TTY: 1-800-735-2258  
www.mdinsurance.state.md.us

**BULLETIN 08-04**

**To: Property and Casualty Insurers Writing Private Passenger Auto  
and All Interested Parties**

**Re: §19-504.1 – Coverage for Claims of Family Members – Request for Data**

**Date: February 4, 2008**

\*\*\*\*\*

This bulletin applies to Property and Casualty insurers writing the following types of policies:

- Private Passenger Automobiles (PPA) motor vehicle liability insurance policies where the liability limits for non-family members exceed the statutory minimums as set forth in §17-103 of the Transportation Article of the Maryland Annotated Code.

Please answer the following questions to enable the Maryland Insurance Administration to determine what impact the mandatory offering of liability limits for coverage for claims made by a family member in the same amount as the liability coverage for the claims made by a nonfamily member have had upon motor vehicle liability insurance rates in Maryland.

Please note that the company received this bulletin because positive premium is shown on Lines 19.1, 19.2 and 21.1 of the Annual Statement for Maryland. If the company does not write PPA policies as defined above, please briefly explain what type of policies reflect this premium.

1) Does your company write PPA policies as defined above?

If the answer is NO, please state so and submit your response electronically. No further action is required. If your answer is YES, please proceed to the next question.

2) Following the enactment of SB 460 during the 2004 Legislative Session which became effective October 1, 2004 and applied to all private passenger motor vehicle liability insurance

policies and binders issued, delivered or renewed in the State on or after January 1, 2005, did your company automatically increase the liability coverage for family members to match the liability limits for non-family members at no additional charge?

If the answer is YES, please state so and submit your response electronically. No further action is required. If the answer is NO, please proceed to the next question.

3) If your company charged for increasing the liability coverage for family members to match the liability limits for non-family members, please explain how that cost was calculated, what percentage of the overall premium this coverage represents and identify the filing, by company and MIA tracking numbers, made with the Administration that reflects that additional cost.

4) Has your company received claims (whether open or closed) that were made by family members seeking this increased coverage? If so, please provide the number of claims for calendar year 2005, 2006 and 2007.

If the answer is NO, please submit your response electronically and no further action is required. If the answer is YES, please proceed to the next question.

5) What percentage of PPA claims that have been received are subject to the provisions of §19-504.1 (please round to 3 decimal places)? Please separate by 2005, 2006 and 2007.

6) Please quantify the impact (as a percent – round to 3 decimal places) on total claim amounts as a result of §19-504.1? Please separate by 2005, 2006 and 2007.

7) Has the claim activity been such that your company is planning to make a rate filing as regards this particular issue ONLY (either to base rates or to family member increased limits factors)? (YES or NO)

8) Has claim activity been such that a filing will only be considered with other claim activity in addition to §19-504.1 claim activity? (YES or NO)?

A NO implies that §19-504.1 activity is not considered at all.

All responses to this Bulletin and questions regarding same should be directed to:

Linas Glemza, P&C Actuary  
Maryland Insurance Administration  
Phone: (410) 468-2044  
Email: [lglemza@mdinsurance.state.md.us](mailto:lglemza@mdinsurance.state.md.us)

Please respond no later than March 12, 2008.

**Ralph S. Tyler, Insurance Commissioner**

By: \_\_\_\_\_  
P. Randi Johnson, Associate Commissioner  
Property & Casualty

## Bulletin 08-04 Reporting Instructions

In addition to the eight questions, please provide;

- 1) For all companies with group, include NAIC Group Code, NAIC Company Code and Company name. Please list this information prior to the answers to the eight questions.
- 2) Everything needs to be provided in one file. Preferred formats are WORD or EXCEL, or a PDF document.
- 3) Please include contact information within your submission. At a minimum, please include the following: 1) Name 2) Phone Number and 3) an email address.