

**BEFORE THE  
MARYLAND INSURANCE COMMISSIONER**

**QUASI-LEGISLATIVE HEARING  
ON THE AVAILABILITY AND  
AFFORDABILITY OF PERSONAL  
AND COMMERCIAL PROPERTY  
AND CASUALTY INSURANCE IN  
COASTAL AREAS IN MARYLAND**

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**Case No.: MIA-2011-10-022**

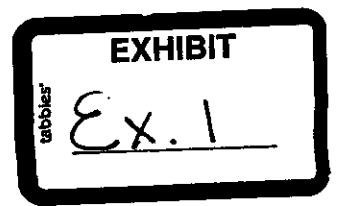
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**To: All Insurers that Issue or Deliver Policies of Homeowners Insurance in the State of Maryland, Property & Casualty Insurance Producers, Surplus Lines Brokers, and Any Other Interested Parties.**

**NOTICE OF QUASI-LEGISLATIVE HEARING**

Pursuant to § 2-210 of the Insurance Article and COMAR 31.02.06, the Maryland Insurance Commissioner (the “Commissioner”) will hold a quasi-legislative hearing on December 13 and 14, 2011, starting each day at 10:00 a.m., at the Maryland Insurance Administration (“Administration”), Hearing Room, 24<sup>th</sup> Floor, 200 St. Paul Place, Baltimore, Maryland 21202. The purpose of this hearing is to receive information regarding the current availability and affordability of personal and commercial property and casualty insurance in Maryland’s coastal areas.

In 2007, following news reports suggesting that Maryland homeowners on the Eastern Shore and other Maryland homeowners with property on or near the water may experience difficulties purchasing homeowners insurance coverage, the Administration reported that “Maryland’s property and casualty market remains



healthy and competitive. While selected insurers are restricting their writing, other carriers are continuing to write new business.”<sup>1</sup> Similarly, in a March 2008 report, the Task Force on the Availability and Affordability of Property Insurance in Coastal Areas concluded that there was not, at that time, “an issue of either availability or affordability of property insurance in the coastal areas of Maryland[.]”<sup>2</sup> Since that time, certain carriers have limited or stopped writing new or renewal personal and commercial property and casualty insurance policies in various coastal areas of the State, or have adopted for those areas underwriting standards offering or requiring a deductible equal to a percentage of the “Coverage A Dwelling Limit” of the policy in the case of a hurricane or other storm. The Commissioner therefore convenes this quasi-legislative proceeding as part of the Administration’s continuing commitment to monitor this segment of the insurance marketplace.

Participants are encouraged to present information and supporting data on the availability and affordability of property and casualty insurance in coastal areas throughout Maryland. Issues on which the Commissioner requests information include:

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<sup>1</sup> January 9, 2007 letter from Insurance Commissioner R. Steven Orr to Speaker Michael Busch (on file with the Maryland Insurance Administration).

<sup>2</sup> Report of the Task Force on the Availability and Affordability of Property Insurance in Coastal Areas, at 41 (Mar. 2008), available at [www.mdinsurance.state.md.us](http://www.mdinsurance.state.md.us).

1. the current number of admitted carriers, excess and surplus lines carriers, residual market mechanisms, captives and reinsurers offering property and casualty insurance products in coastal areas of the State;
2. the types of products offered in coastal areas of the State by admitted carriers, excess and surplus lines carriers, residual market mechanisms, captives and reinsurers;
3. the rates and deductibles offered per carrier in coastal areas within the State;
4. the impact, if any, of coastal markets on the availability and affordability of personal and commercial property and casualty insurance in non-coastal areas of the State;
5. the effectiveness, cost, and long-term viability of alternative market mechanisms, such as limited coverage products, wind pools, the expansion of residual market mechanisms, and catastrophe funds that have been implemented or are being considered in other states or by the federal government; and
6. initiatives adopted in other states to increase availability and affordability of personal and commercial property and casualty insurance in coastal areas.

Those who wish to testify at the hearing must notify the Administration by regular and/or electronic mail by **December 9, 2011** at:

Karen Stakem Hornig  
Deputy Commissioner  
Maryland Insurance Administration  
200 St. Paul Place, Suite 2700  
Baltimore, Maryland 21202  
[mhayes@mdinsurance.state.md.us](mailto:mhayes@mdinsurance.state.md.us)

Advanced submission of written testimony and/or exhibits is encouraged.

Individuals who require special accommodations are asked to contact Megan Hayes, Executive Assistant to the Deputy Commissioner, at the above addresses or by calling 410-468-2018. Persons who are unable to attend the hearing may submit written testimony electronically or through the regular mail at the above addresses by **December 16, 2011**.

Signature on file

Therese M. Goldsmith  
Insurance Commissioner

Date: October 21, 2011