

(V) SHALL DISCLOSE TO THE APPLICANT AT THE TIME OF THE ISSUANCE OF A POLICY THAT THE INSURER IS REQUIRED TO:

1. REVIEW THE CREDIT HISTORY OF AN INSURED WHO WAS ADVERSELY IMPACTED BY THE USE OF THE INSURED'S CREDIT HISTORY AT THE INITIAL RATING OR UNDERWRITING OF THE POLICY:

A. EVERY 2 YEARS; OR

B. ON REQUEST OF THE INSURED; AND

2. ADJUST THE PREMIUM OF AN INSURED WHOSE CREDIT HISTORY WAS REVIEWED TO REFLECT ANY IMPROVEMENT IN THE INSURED'S CREDIT HISTORY.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Insurance

27-501.

(E-1) (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%.

SECTION 3. AND BE IT FURTHER ENACTED, That the Maryland Insurance Commissioner shall conduct a study on whether the use of credit scoring in the State has an adverse impact on any demographic group defined by race or socio-economic status. In conducting the study, the Commissioner shall consult with representatives of the property and casualty insurance industry, insurance producer organizations, consumer organizations, consumer reporting agencies, and any other person that the Commissioner considers necessary to assist the Commissioner in conducting the study. The Commissioner shall also study the impact of premium rates on policies issued by the Maryland Automobile Insurance Fund on the insurance market. The Commissioner shall report on the results of these studies to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly, on or before January 1, 2004.

SECTION 2. 4. AND BE IT FURTHER ENACTED, That this Act shall apply to all personal lines property and casualty insurance policies and contracts issued, delivered, or renewed on or after ~~July~~ October 1, 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. 6. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1, 2002~~ July October 1, 2002.