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Governor

ANTHONY G. BROWN
Lt. Governor



THERESE M. GOLDSMITH
Commissioner

KAREN STAKEM HORNIG
Deputy Commissioner

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FOR IMMEDIATE RELEASE

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***** MEDIA ADVISORY *****

**MARYLAND INSURANCE ADMINISTRATION TO CONDUCT PUBLIC HEARING
ON THE AVAILABILITY AND AFFORDABILITY OF PERSONAL AND
COMMERCIAL PROPERTY AND CASUALTY INSURANCE IN COASTAL AREAS**

Baltimore, MD – Several insurance carriers have limited or stopped writing new or renewed personal and commercial property and casualty insurance policies in various coastal areas of the State. Additionally, some carriers have adopted 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 in certain coastal areas. As a result, the Insurance Commissioner will hold a hearing to gather information regarding the current availability and affordability of personal and commercial property and casualty insurance in Maryland’s coastal areas.

WHAT: The Maryland Insurance Administration will hold a quasi-legislative hearing to gather information about this topic from insurers, producers (agents), surplus-line brokers, and any other interested parties.

WHEN: Tuesday and Wednesday, Dec. 13 and 14, 2011, beginning each day at 10 a.m.

WHERE: Maryland Insurance Administration
Hearing Room – 24th Floor
200 St. Paul Place
Baltimore, MD 21202
(Public transportation is accessible to this location. Paid parking is available, but may be limited.)

MEDIA

CONTACT: Betsy Charlow, Public Affairs Representative, 410-468-2458

MIA Coastal Hearing-2

The Insurance Commissioner is interested in gathering the following information:

- 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;
- the types of insurance products offered per carrier in coastal areas within the State;
- the rates and deductibles offered per carrier in coastal areas within the State;
- the impact, if any, of insurers' decisions regarding the availability of their products in coastal areas on the availability and affordability of personal and commercial property and casualty insurance in *non-coastal* areas of the State;
- 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
- initiatives adopted in other states to increase availability and affordability of personal and commercial property and casualty insurance in coastal areas.

A copy of the hearing notice is attached.

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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

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, 24th 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.”¹ 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[.]”² 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:

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

² 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.

- 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**

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 Original*
Therese M. Goldsmith
Insurance Commissioner**

Date: October 21, 2011