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§11–318.

(a) All automobile insurance rates shall be made in accordance with the principles set forth in this section.

(b) (1) An insurer under an automobile liability insurance policy may not classify or maintain an insured for a period longer than 3 years in a classification that entails a higher premium:

(i) because of a specific claim; or

(ii) because of the insured's driving record.

(2) For the purpose of determining whether to classify an insured in a classification that entails a higher premium, an insurer may review only a period not greater than 3 years before:

(i) if the policy has not yet been issued:

1. the date of the application; or

2. the proposed effective date of the policy; or

(ii) on renewal of a policy, the effective date of the renewal.

(3) (i) The removal of a discount is not a violation of this subsection.

(ii) Subparagraph (i) of this paragraph may not be construed to prevent an insurer from granting a claim–free discount to an insured.

(c) An insurer's automobile and physical damage insurance premiums shall reflect the reduction in claims, if any, attributable to the requirement that drivers under the age of 18 years must acquire a provisional driver's license before acquiring a driver's license.

(d) For purposes of reclassifying an insured in a classification that entails a higher premium, an insurer under an automobile insurance policy may not consider accident reports and abstracts of court convictions that relate to driving an emergency vehicle and that are on record with the Motor Vehicle Administration, as provided in § 16–117(b) of the Transportation Article.

(e) For purposes of reclassifying an insured in a classification that entails a higher premium, an insurer under an automobile insurance policy may not consider a probation before judgment disposition of a motor vehicle law offense, a civil penalty imposed pursuant to § 21–202.1, § 21–809, § 21–810, or § 24–111.3 of the

Transportation Article, or a first offense of driving with an alcohol concentration of 0.08 or more under § 16–205.1 of the Transportation Article on record with the Motor Vehicle Administration, as provided in § 16–117(b) of the Transportation Article.

(f) If the insured under an automobile insurance policy notifies the insurer of a change in circumstances that justifies reclassifying the insured in a different classification or territory, the insurer shall adjust the premium charged the insured from the date of notification.

(g) For motor vehicle personal injury and property damage coverage, an insurer may provide a reduction in rates based on actuarial justification to an insured who:

(1) is at least 55 years old; and

(2) within the last 2 years, has completed successfully a course in accident prevention:

(i) that is approved by the Motor Vehicle Administration;

(ii) that includes classroom instruction or practice driving of the number of hours that the Motor Vehicle Administration requires; and

(iii) for which the insured has received a certificate that certifies the completion of the course.

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