

## Article - Insurance

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§11-218.

(a) (1) Any person, whether located within or outside the State, may apply to the Commissioner for a license as a rating organization for a kind of insurance, subdivision of kinds of insurance, or class of risk or part or combination of kinds of insurance or classes of risk, as specified in its application.

(2) An applicant for a license as a rating organization shall file with its application:

(i) a copy of its constitution, articles of agreement or association, or certificate of incorporation and its bylaws, rules, and regulations that govern the conduct of its business;

(ii) a list of its members and subscribers;

(iii) the name and address of a resident of the State on whom may be served notices or orders of the Commissioner or process that affects the rating organization; and

(iv) a statement of its qualifications as a rating organization.

(3) Within 60 days after an application is filed, the Commissioner shall grant or deny the application wholly or partly.

(4) The Commissioner shall grant the application if the Commissioner finds that:

(i) the applicant is competent, trustworthy, and otherwise qualified to act as a rating organization; and

(ii) its constitution, articles of agreement or association, or certificate of incorporation, and its bylaws, rules, and regulations that govern the conduct of its business conform to the requirements of law.

(5) A license as a rating organization issued under this section expires 3 years after its effective date.

(6) The fee for a license as a rating organization is \$25.

(7) If a rating organization ceases to meet the requirements of this subsection, the Commissioner, after notice and a hearing, may suspend or revoke its license.

(8) A rating organization shall notify the Commissioner promptly of

any change in the information and documents provided to the Commissioner under paragraph (2) of this subsection.

(b) (1) Subject to rules adopted by the rating organization that the Commissioner has approved as reasonable, each rating organization shall allow an insurer that is not a member to be a subscriber to its rating services for a kind of insurance, subdivision of kinds of insurance, or class of risk or part or combination of kinds of insurance or classes of risk for which it is authorized to act as a rating organization.

(2) Each rating organization shall give notice to subscribers of proposed changes in its rules.

(3) Each rating organization shall provide its rating services without discrimination to its members and subscribers.

(4) (i) 1. At the request of a subscriber or an insurer that has been refused admission as a subscriber to a rating organization, the Commissioner shall review the reasonableness of the application of a rule to subscribers or the refusal of the rating organization to admit the insurer as a subscriber.

2. If a rating organization fails to grant or reject the application of an insurer for admission as a subscriber within 30 days after the application was made, the insurer may request a review of the action by the Commissioner as if the application had been rejected.

(ii) 1. The Commissioner shall review the challenged rule or action of the rating organization at a hearing.

2. The Commissioner shall give written notice of the hearing to the rating organization and subscriber or insurer at least 10 days before the hearing.

(iii) If the Commissioner finds that the challenged rule is unreasonable in its application to subscribers, the Commissioner shall issue an order that the rule is not applicable to subscribers.

(iv) 1. If the Commissioner finds that an insurer has been refused admission as a subscriber to the rating organization without justification, the Commissioner shall issue an order that requires the rating organization to admit the insurer as a subscriber.

2. If the Commissioner finds that the action of the rating organization in refusing admission as a subscriber was justified, the Commissioner shall issue an order that affirms the action of the rating organization.

(c) A rating organization may not adopt a rule the effect of which would be to prohibit or regulate the payment of dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members, or

subscribers.

(d) (1) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this subtitle is authorized, if the filings that result from the cooperation are subject to all provisions of this subtitle that are applicable to filings generally.

(2) (i) The Commissioner may review cooperative activities and practices among rating organizations and among rating organizations and insurers.

(ii) If, after a hearing, the Commissioner finds that an activity or practice is unfair, unreasonable, or otherwise inconsistent with this subtitle, the Commissioner may issue an order that requires that the activity or practice be discontinued.

(e) (1) A rating organization may provide for the examination of policies, daily reports, binders, renewal certificates, endorsements, or other evidence of insurance or the cancellation of insurance and may make reasonable rules that govern their submission.

(2) Rules adopted under this subsection shall require that:

(i) within 60 days after a rating organization has notified an insurer of an error or omission, the insurer shall provide to the rating organization satisfactory evidence of the correction of the error or omission; and

(ii) the rating organization shall notify the Commissioner if an insurer fails to provide satisfactory evidence of the correction of the error or omission.

(3) All information submitted for examination under this subsection is confidential.

(f) (1) A rating organization may subscribe to or purchase actuarial, technical, or other services.

(2) The services shall be available to all members and subscribers without discrimination.

(g) (1) An association or other entity that has been organized by regulation or law to provide insurance not available through the voluntary market shall apply to the Commissioner for permission to file rates to be used by the entity.

(2) If the Commissioner finds that allowing the entity to file rates will be in the public interest, then the Commissioner shall treat a filing made by the entity like a filing made by a rating organization.

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