

Article - Insurance

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§11-329.

(a) Each workers' compensation insurer shall:

- (1) be a member of a workers' compensation rating organization; and
- (2) adhere to the policy forms filed by the rating organization.

(b) (1) Each workers' compensation insurer shall adhere to a uniform classification system and uniform experience rating plan filed with the Commissioner by a rating organization designated by and subject to disapproval by the Commissioner.

(2) (i) An insurer may develop subclassifications of the uniform classification system on which a rate may be made.

(ii) Any subclassification developed under subparagraph (i) of this paragraph shall be filed with the Commissioner at least 30 days before its use.

(iii) If the insurer fails to demonstrate that the data produced under a subclassification can be reported in a manner consistent with the uniform classification system and uniform statistical plan, the Commissioner shall disapprove the subclassification.

(c) Each workers' compensation insurer shall record and report its workers' compensation experience to a rating organization as set forth in the uniform statistical plan approved by the Commissioner.

(d) (1) Subject to the approval of the Commissioner, each rating organization shall develop and file rules reasonably related to the recording and reporting of data under the uniform classification system, uniform statistical plan, and uniform experience rating plan.

(2) In writing and reporting its business, each workers' compensation insurer shall adhere to the approved rules and experience rating plan.

(3) An insurer may not agree with another insurer or rating organization to adhere to rules that are not reasonably related to the recording and reporting of data under the uniform classification system or uniform statistical plan.

(e) The experience rating plan methodology required under § 11-330(d)(4) of this subtitle shall be based on:

- (1) reasonable eligibility standards;
- (2) adequate incentives for loss prevention; and

(3) sufficient premium differentials so as to encourage safety.

(f) (1) Except as provided in paragraph (2) of this subsection, the uniform experience rating plan shall be the exclusive means of providing prospective premium adjustment based on measurement of the loss-producing characteristics of an individual insured.

(2) In addition to any premium adjustment allowed under paragraph (1) of this subsection and pursuant to a filing made by a rating organization and approved by the Commissioner, an insurer may file a rating plan with the Commissioner that provides for prospective premium adjustments up to 25% based upon characteristics of a risk that are not reflected in the uniform experience rating plan.

(3) An insurer may file a rating plan that provides for retrospective premium adjustments based on an insured's past experience.

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