

Article - Insurance

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§13–110.

(a) Each form for a policy, certificate of insurance, notice of proposed insurance, application for insurance, endorsement, or rider delivered or issued for delivery in the State and each related schedule of premium rates shall be filed with the Commissioner for approval.

(b) (1) Within 60 days after a form or premium rate described in subsection (a) of this section is filed, the Commissioner shall disapprove the filing if:

(i) the table of premium rates appears by reasonable assumptions to be excessive in relation to benefits; or

(ii) the form contains provisions that:

1. are unjust, unfair, inequitable, misleading, or deceptive;

2. encourage misrepresentation of the coverage; or

3. are contrary to a provision of this article or a regulation adopted under this article.

(2) In making a determination under paragraph (1) of this subsection, the Commissioner shall consider:

(i) past and prospective loss experience within and outside the State;

(ii) underwriting practice and judgment to the extent appropriate;

(iii) a reasonable margin for underwriting profit and contingencies;

(iv) past and prospective expenses, whether countrywide or specially applicable to the State; and

(v) all other relevant factors within and outside the State.

(3) If the Commissioner disapproves a form or premium rate, the Commissioner shall:

(i) notify the insurer of the disapproval and specify in the notice the reason for disapproval; and

(ii) state that a hearing on the disapproval will be held within 20 days after receipt of a written request by the insurer.

(4) After notification of disapproval, an insurer may not issue or use the

disapproved form or premium rate.

(c) An insurer may not issue or use a form or premium rate filed under this section until the end of the 60-day period unless the Commissioner approves the filing in writing before the end of the period.

(d) (1) The Commissioner may withdraw approval of a form or premium rate if the Commissioner:

(i) notifies the insurer in writing of the proposed withdrawal;

(ii) specifies in the notice the reason for withdrawal;

(iii) states that a hearing on the withdrawal will be held not less than 20 days after the date of the notice; and

(iv) bases the withdrawal of approval on a ground set forth in subsection (b)(1) of this section.

(2) An insurer may not issue or use a form or premium rate after the effective date of withdrawal of approval by the Commissioner.

(e) (1) If a group policy of credit life insurance, credit health insurance, or credit involuntary unemployment benefit insurance was delivered in the State before April 28, 1970, or is delivered in another state, the insurer shall file with the Commissioner only the group certificate and notice of proposed insurance that have been delivered or issued for delivery in this State.

(2) The Commissioner shall approve the group certificate and notice of proposed insurance if:

(i) the group certificate and notice conform with §§ 13-108(b) and 13-109(b) of this title; and

(ii) the schedule of premium rates for the group insurance does not exceed the schedule of premium rates that the insurer has filed with the Commissioner.

(f) (1) The purpose of this subsection is to ensure that the credit life insurance, credit health insurance, or credit involuntary unemployment benefit insurance operations of the insurer do not:

(i) result in rates that are excessive in relation to benefits;

(ii) endanger the solvency of the insurer so that its transaction of business is hazardous to its policyholders or the public; or

(iii) adversely affect another class of business of the insurer.

(2) To accomplish this purpose, the Commissioner may establish:

(i) the maximum rates of commission or other compensation that may be paid to insurance producers; and

(ii) standards for the maximum amounts of dividends, retrospective rate credits, and any other form of refund or benefit to policyholders.

(g) An order of the Commissioner under this section is subject to judicial review in accordance with § 2-215 of this article.

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