

**Maryland General Assembly  
Department of Legislative Services**

**Proposed Regulations  
Maryland Insurance Administration  
(DLS Control No. 15-144)**

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**Overview and Legal and Fiscal Impact**

The regulations update the address of the Maryland Automobile Insurance Fund (MAIF) as set forth on notice forms an insurer must send to an insured at least 45 days before the effective date of an increase in the total premium for a policy of private passenger motor vehicle liability insurance.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

**Regulations of COMAR Affected**

**Maryland Insurance Administration:**

Property and Casualty Insurance: Notices of Cancellation, Nonrenewal, Premium Increase, and Reduction in Coverage: COMAR 31.08.03.07 and .08

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**Legal Analysis**

**Background**

Section 27-614 of the Insurance Article requires an insurer that intends to increase the total premium for a policy of private passenger motor vehicle liability insurance to notify the insured of the increase at least 45 days before the effective date of the increase. The section specifies the form and contents of the notice and the manner in which it must be given, as well as the process an insured may use to protest the increase and, for an increase of more than 15%, to request a hearing before the Maryland Insurance Commissioner. COMAR 31.08.03.07 and .08 establish the notice forms an insurer must use to give notice of a premium increase of 15% or less and for a premium increase of more than 15%, respectively. In addition to the information required under § 27-614, the forms include a notice that if an insured wants to replace the insured's policy and cannot do so with another insurer, insurance may be requested through the MAIF, and provide contact information for MAIF.

According to the Maryland Insurance Administration, MAIF has notified the administration that, on or after July 6, 2015, it will be relocating its offices from Annapolis to Baltimore. According to the administration, the purpose of the regulations is to update MAIF's address on the notice forms in Regulations .07 and .08.

## **Summary of Regulations**

The regulations update the address of MAIF as set forth on notice forms an insurer must send to an insured at least 45 days before the effective date of an increase in the total premium for a policy of private passenger motor vehicle liability insurance.

## **Legal Issues**

The regulations present no legal issues of concern.

## **Statutory Authority and Legislative Intent**

The administration cites §§ 2-109, 27-613, and 27-614 of the Insurance Article as statutory authority for the regulations. More specifically, the regulations are authorized by §§ 2-109(a)(1) and 27-614. Section 2-109(a)(1) establishes the general authority of the Maryland Insurance Commissioner to adopt regulations to carry out the Insurance Article. As discussed above, § 27-614 governs notice requirements for an increase in the total premium for a policy of private passenger motor vehicle liability insurance. The remaining cited authority is not relevant for these regulations.

The relevant cited authority is correct and complete. The regulations comply with the legislative intent of the law.

## **Fiscal Analysis**

There is no fiscal impact on State or local agencies.

## **Agency Estimate of Projected Fiscal Impact**

The administration advises that the regulations have minimal or no impact on State or local governments. The Department of Legislative Services concurs.

## **Impact on Budget**

There is no impact on the State operating or capital budget.

## **Agency Estimate of Projected Small Business Impact**

The administration advises that the regulations have minimal or no impact on small business in the State. The Department of Legislative Services concurs.

## **Contact Information**

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