

MARYLAND REGISTER

**Proposed Action on Regulations**

<b>Transmittal Sheet</b>  <b>PROPOSED OR REPROPOSED</b>  <b>Actions on Regulations</b>	<b>Date Filed with AELR Committee</b>	<b>TO BE COMPLETED BY DSD</b>
	07/02/2015	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

**1. Desired date of publication in Maryland Register: 8/7/2015**

**2. COMAR Codification**

**Title Subtitle Chapter Regulation**

31 08 03 07, .08

**3. Name of Promulgating Authority**

Maryland Insurance Administration

**4. Name of Regulations Coordinator**

Catherine E Grason

**Telephone Number**

410-468-2201

**Mailing Address**

200 St. Paul Place, Suite 2700

**City State Zip Code**

Baltimore MD 21202

**Email**

Catherine.Grason@maryland.gov

**5. Name of Person to Call About this Document**

Catherine Grason

**Telephone No.**

410-468-2201

**Email Address**

catherine.grason@maryland.gov

**6. Check applicable items:**

- New Regulations
  - Amendments to Existing Regulations
    - Date when existing text was downloaded from COMAR online: June 24, 2015.
  - Repeal of Existing Regulations
  - Recodification
  - Incorporation by Reference of Documents Requiring DSD Approval
  - Reproposal of Substantively Different Text:
    - : Md. R
    - (vol.) (issue) (page nos) (date)
- Under Maryland Register docket no.: --P.

**7. Is there emergency text which is identical to this proposal:**

- Yes  No

**8. Incorporation by Reference**

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

**9. Public Body - Open Meeting**

- OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.
- OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

**10. Children's Environmental Health and Protection**

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

**11. Certificate of Authorized Officer**

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Lisa Hall, Assistant Attorney General, (telephone #410-468-2030) on 7/2/15. A written copy of the approval is on file at this agency.

**Name of Authorized Officer**

Alfred Redmer, Jr.

**Title**

Insurance Commissioner

**Telephone No.**

410-468-2090

**Date**

7/2/15

**Title 31**  
**MARYLAND INSURANCE ADMINISTRATION**

**Subtitle 08 PROPERTY AND CASUALTY INSURANCE**

**31.08.03 Notices of Cancellation, Nonrenewal, Premium Increase, and Reduction in Coverage**

Authority: Insurance Article, §§2-109, 27-613, and 27-614, Annotated Code of Maryland

**Notice of Proposed Action**

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The Insurance Commissioner proposes to adopt amendments to Regulations .07 and .08 under COMAR 31.08.03 Notices of Cancellation, Nonrenewal, Premium Increase, and Reduction in Coverage.

**Statement of Purpose**

The purpose of this action is to update the address for the Maryland Automobile Insurance Fund (MAIF) that is set forth in the notices contained in these regulations. MAIF has notified the Maryland Insurance Administration (MIA) that it will be relocating its offices on or after July 6, 2015.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**Estimate of Economic Impact**

The proposed action has no economic impact.

**Economic Impact on Small Businesses**

The proposed action has minimal or no economic impact on small businesses.

**Impact on Individuals with Disabilities**

The proposed action has no impact on individuals with disabilities.

**Opportunity for Public Comment**

Comments may be sent to Catherine Grason, Director of Regulatory Affairs, Maryland Insurance Administration, 200 St. Paul Place, Ste. 2700, Baltimore, MD 21202, or call 410-468-2201, or email to [insuranceregreview.mia@maryland.gov](mailto:insuranceregreview.mia@maryland.gov), or fax to 410-468-2020. Comments will be accepted through September 8, 2015. A public hearing has not been scheduled.

### **Economic Impact Statement Part C**

A. Fiscal Year in which regulations will become effective: FY 16

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

No

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

No funding is required for implementation of these regulations.

E. If these regulations have no economic impact under Part A, indicate reason briefly:

These regulations update the address of the Maryland Automobile Insurance Fund in certain notice documents that certain insurers are required to utilize. Insurers will need to amend forms to comply with these regulations.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

These regulations update forms that insurers are already required to provide. Insofar as certain insurers are small businesses, they may incur nominal, routine operational expenses in updating these forms.

G. Small Business Worksheet:

Attached Document:

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## **Title 31 MARYLAND INSURANCE ADMINISTRATION**

### **Subtitle 08 PROPERTY AND CASUALTY INSURANCE**

#### **Chapter 03 Notices of Cancellation, Nonrenewal, Premium Increase, and Reduction in Coverage**

Authority: Insurance Article, §§2-109, 27-613, and 27-614, Annotated Code of Maryland

.07 MIA Form 1006-A.

NOTICE OF PREMIUM INCREASE (15% OR LESS)

Name and Address of Insurer:	Name and Address of Producer:	
Type of Policy:	Binder/Policy Number:	
Name and Address of Insured:	Date of Mailing	Effective Date of Increase:

If you have any questions regarding this increase in premium or if you believe the information contained in this notice of premium increase is incorrect, you should contact your insurance producer, agent or broker, or your insurance company.

Total Premium for the Current Policy Period:	Total Premium for Renewal Policy Period:
	Total Amount of Increase Subject to Notice \$ _____ / _____%
This does not include any increase in your premium due to a general rate increase or due to changes in coverage made at your request. These types of increases are not subject to this notice.	

The actual reason or reasons for the increase are:

<b>"Right of Protest"</b>
You may protest the action proposed by this notice as provided under Insurance Article, §27-614, Annotated Code of Maryland. For your protest to be duly filed, you must sign <b>one copy</b> of this notice and <b>send the entire</b> notice, by mail or facsimile, within <b>thirty (30) days</b> after the above date of mailing, to:
<b>Insurance Commissioner Maryland Insurance Administration 200 St. Paul Place</b>

**Baltimore, Maryland 21202**  
**Fax Number: 410-468-2334 or 410-468-2307**

1. If your protest is filed late, the Insurance Commissioner will not consider your protest.
2. Your timely filed protest does **not** stay the action proposed by this notice. If you have filed a timely protest, you must  
continue to pay your premiums when due (**including** the amount of the proposed increase), or else your policy will  
expire or otherwise terminate.
3. If you have timely filed a protest of the proposed increase in premium, the Commissioner will determine whether the  
proposed premium increase is lawful and will notify you in writing.
4. If the Commissioner determines that your protest has merit, the increase will be disallowed. If the increase is  
disallowed, the insurer, within thirty (30) days of the determination, must return to you all disallowed premium and  
pay interest on the disallowed premium received from you calculated at a rate of ten (10) percent per annum from the  
date the disallowed premium was received to the date the disallowed premium was returned. If the insurer fails to return any disallowed premium and interest to the insured within  
thirty (30) days after the Commissioner disallows the action of the insurer, the insurer shall pay interest on the disallowed premium calculated at a rate of twenty (20) percent per  
annum beginning on the thirty-first (31st) day following the disallowance of the premium increase until the date the disallowed premium is returned.
5. If the Commissioner determines that your protest is without merit, the insurer can retain the amount of premium it has  
already collected.

(The Right of Protest is continued on the next page)

**NOTICE OF PREMIUM INCREASE (15% OR LESS)**

(This Right of Protest is continued from the previous page)

I protest the action proposed by the insurer. My reasons for protesting the insurer's action are:

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<p>Signed (Named Insured) _____ Date _____</p> <p>Address:</p> <p>_____ Daytime Phone Number: _____</p>
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<b>IMPORTANT — PLEASE READ IF BOX IS CHECKED</b>		
<input type="checkbox"/> <b>Offer to Exclude:</b> The premium for your policy is being increased because of the driving record or claims experience of the listed drivers under this policy. We (the insurer) will agree not to charge you the increase in premium if you ( <b>the named insured</b> ) agree to exclude coverage under the policy for the individual(s) whose driving record or claims experience justified the increase in premium. If you sign this offer to exclude, any future policies or endorsements will not provide coverage for the individual(s) named unless required by law. Any future requests to add coverage for the individual(s) excluded must be requested by the named insured. If you agree to the exclusion of the individual(s), <b>you cannot protest this proposed increase in premium to the Insurance Commissioner.</b>		
Individual(s) to be excluded:	<b>Name of Individual(s):</b> _____ _____	<b>Effective Date:</b> _____ _____
If you agree, the policy and or coverage will be renewed with the above named individual(s) excluded from coverage and the premium for the renewal will be:		<b>Dollar Amount:</b> _____ _____
I, the named insured, agree to exclude coverage for the individual(s) named above.		
<b>Signature of Named Insured</b> _____ _____	<b>Date of Signature</b> _____	

If you have signed and dated this offer to exclude, you must return it to the insurance company.

IF YOU WISH TO REPLACE THIS POLICY YOU MAY BE ELIGIBLE FOR A NEW POLICY WITH ANOTHER INSURER.

IF YOU CANNOT REPLACE THIS POLICY WITH ANOTHER INSURER YOU MAY REQUEST INSURANCE THROUGH THE **MARYLAND AUTOMOBILE INSURANCE FUND (MAIF)**.

Please contact your insurance producer for information concerning MAIF or you can contact MAIF at:

[1750 Forest Drive, Annapolis, Maryland 21401] 1215 E. Fort Avenue, Suite 300, Baltimore, Maryland 21230-5281 / Telephone: 800-492-7120 or 410-269-1680

.08 MIA Form 1006-B.

NOTICE OF PREMIUM INCREASE  
(GREATER THAN 15%)

Name and Address of Insurer:	Name and Address of Producer:	
Type of Policy:	Binder/Policy Number:	
Name and Address of Insured:	Date of Mailing	Effective Date of Increase:

If you have any questions regarding this increase in premium or if you believe the information contained in this notice of premium increase is incorrect, you should contact your insurance producer, agent or broker, or your insurance company.

Total Premium for Current Policy Period:	Total Premium for Renewal Policy Period:	
	Total Amount of Increase Subject to Notice:	\$ _____ / _____ %
This does not include any increase in your premium due to a general rate increase or due to changes in		

coverage made at your request. These types of increases are not subject to this notice.

The actual reason or reasons for the increase are:

### "Right of Protest"

You may protest the action proposed by this notice as provided under Insurance Article, §27-614, Annotated Code of

Maryland. For your protest to be duly filed, you must sign **one copy** of this notice and **send the entire** notice, by mail or facsimile, within **thirty (30) days** after the above date of mailing, to:

**Insurance Commissioner  
Maryland Insurance Administration  
200 St. Paul Place  
Baltimore, Maryland 21202  
Fax Number 410-468-2334 or 410-468-2307**

1. If your protest is filed late, the Insurance Commissioner will not consider your protest.
2. Your timely filed protest **may** result in a stay of the action proposed by this notice if the Commissioner makes a finding that the premium increase may cause you undue harm and that it is in violation of the insurer's filed rating plan.
3. Even though you have filed a timely protest, you must continue to pay your premium when due unless the Commissioner has ordered a stay of the increase, or else your policy will expire or otherwise terminate.
4. If you have timely filed a protest of the proposed increase in premium, the Commissioner will determine whether the proposed premium increase is lawful and will notify you in writing.
5. If the Commissioner determines that your protest has merit, the increase will be disallowed. If the increase is disallowed, the insurer, within thirty (30) days of the determination, , must return to you all disallowed premium and pay interest on the disallowed premium received from you calculated at a rate of ten (10) percent per annum from the date the disallowed premium was received to the date the disallowed premium was returned. If the insurer fails to return any disallowed premium and interest to the insured within thirty (30) days after the Commissioner disallows the action of the insurer, the insurer shall pay interest on the disallowed premium calculated at a rate of twenty (20) percent per annum beginning on the thirty-first (31st) day following the disallowance of the premium increase until the date the disallowed premium is returned.
6. If the Commissioner determines that your protest is without merit, the insurer may apply the proposed increase.
7. If either you or the insurer is dissatisfied with the determination of the Commissioner, you or the insurer may request a hearing within thirty (30) days after the mailing date of the determination. In the event that a hearing is requested,

(The Right of Protest is continued on the next page)

(This Right of Protest is continued from the previous page)

you must continue to pay your premiums when due, unless the Commissioner has ordered a stay of the increase, or else your policy will expire or otherwise terminate.

8. If a hearing is requested, all parties will be notified in writing of the time and place of the hearing at least ten (10) days before the hearing.

9. The Commissioner shall order the insurer to pay reasonable attorney fees incurred by you for representation at the hearing if the Commissioner finds that: (1) the actual reason for the proposed action is not stated in the notice or the proposed action is not in accordance with §27-501 of the Insurance Article, the insurer's filed rating plan, its underwriting standards, or the lawful terms and conditions of the policy related to a premium increase; and (2) the insurer's conduct in maintaining or defending the proceeding was in bad faith or the insurer acted willfully in the absence of a bona fide dispute.

I protest the action proposed by the insurer. My reasons for protesting the insurer's action are:

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**IMPORTANT — PLEASE READ IF BOX IS CHECKED**

**Offer to Exclude:**

The premium for your policy is being increased because of the driving record or claims experience of the listed drivers under this policy. We (the insurer) will agree not to charge you the increase in premium if you (**the named insured**) agree to exclude coverage under the policy for the individual(s) whose driving record or claims experience justified the increase in premium. If you sign this offer to exclude, any future policies or endorsements will not provide coverage for the individual(s) named unless required by law. Any future requests to add coverage for the individual(s) excluded must be requested by the named insured. If you agree to the exclusion of the individual(s), **you cannot protest this proposed increase in premium to the Insurance Commissioner.**

Individual(s) to be excluded:	<b>Name of Individual(s):</b> _____ _____	<b>Effective Date:</b> _____
If you agree, the policy and or coverage will be renewed with the above named individual(s) excluded from coverage and the premium for the renewal will be:		<b>Dollar Amount:</b> _____
I, the named insured, agree to exclude coverage for the individual(s) named above.		
<b>Signature of Named Insured</b>	<b>Date of Signature</b>	
_____ _____	_____ _____	

If you have signed and dated this offer to exclude, you must return it to the insurer.

IF YOU WISH TO REPLACE THIS POLICY YOU MAY BE ELIGIBLE FOR A NEW POLICY WITH ANOTHER INSURER.

IF YOU CAN NOT REPLACE THIS POLICY WITH ANOTHER INSURER YOU MAY REQUEST INSURANCE THROUGH THE **MARYLAND AUTOMOBILE INSURANCE FUND (MAIF)**.

Please contact your insurance producer for information concerning MAIF or you can contact MAIF at: [1750 Forest Drive, Annapolis, Maryland 21401] *1215 E. Fort Avenue, Suite 300, Baltimore, Maryland 21230-5281* / Telephone: 800-492-7120 or 410-269-1680