

(PRE-FILED)

By: **Delegates Branch and C. Davis**
Requested: July 14, 1997
Introduced and read first time: January 14, 1998
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Automobile Liability Insurance Rates - Effect of Accident Occurring During**
3 **Inclement Weather**

4 FOR the purpose of prohibiting an insurer under an automobile liability insurance
5 policy from automatically determining that an insured is more than 50% at fault
6 in an accident that occurs when the insured is driving during certain inclement
7 weather; providing that certain accidents that occur during inclement weather
8 are not chargeable if the insured is driving in a certain manner; authorizing the
9 insured to use certain evidence to prove that the insured was driving in a certain
10 manner; and generally relating to rates for automobile liability insurance.

11 BY repealing and reenacting, with amendments,
12 Article - Insurance
13 Section 11-215 and 11-318
14 Annotated Code of Maryland
15 (1997 Volume)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Insurance**

19 11-215.

20 (a) All automobile insurance rates shall be made in accordance with the
21 principles set forth in this section.

22 (b) (1) An insurer under an automobile liability insurance policy may not
23 classify or maintain an insured for a period longer than 3 years in a classification that
24 entails a higher premium:

- 25 (i) because of a specific claim; or
- 26 (ii) because of the insured's driving record.

1 (2) For the purpose of determining whether to classify an insured in a
2 classification that entails a higher premium, an insurer may review only a period not
3 greater than 3 years before:

4 (i) if the policy has not yet been issued:

5 1. the date of the application; or

6 2. the proposed effective date of the policy; or

7 (ii) on renewal of a policy, the effective date of the renewal.

8 (3) The removal of a discount is not a violation of this subsection.

9 (c) An insurer's automobile and physical damage insurance premiums shall
10 reflect the reduction in claims, if any, attributable to the requirement that drivers
11 under the age of 18 years must acquire a provisional driver's license before acquiring
12 a driver's license.

13 (d) For purposes of reclassifying an insured in a classification that entails a
14 higher premium, an insurer under an automobile insurance policy may not consider
15 accident reports and abstracts of court convictions that relate to driving an emergency
16 vehicle and that are on record with the Motor Vehicle Administration, as provided in
17 § 16-117(b) of the Transportation Article.

18 (e) For purposes of reclassifying an insured in a classification that entails a
19 higher premium, an insurer under an automobile insurance policy may not consider a
20 probation before judgment disposition of a motor vehicle law offense, a civil penalty
21 imposed pursuant to § 21-202.1 of the Transportation Article, or a first offense of
22 driving with an alcohol concentration of 0.10 or more under § 16-205.1 of the
23 Transportation Article on record with the Motor Vehicle Administration, as provided
24 in § 16-117(b) of the Transportation Article.

25 (f) If the insured under an automobile insurance policy notifies the insurer of
26 a change in circumstances that justifies reclassifying the insured in a different
27 classification or territory, the insurer shall adjust the premium charged the insured
28 from the date of notification.

29 (g) For motor vehicle personal injury and property damage coverage, an
30 insurer may provide a reduction in rates based on actuarial justification to an insured
31 who:

32 (1) is at least 55 years old; and

33 (2) within the last 2 years, has completed successfully a course in
34 accident prevention:

35 (i) that is approved by the Motor Vehicle Administration;

1 (ii) that includes classroom instruction or practice driving of the
2 number of hours that the Motor Vehicle Administration requires; and

3 (iii) for which the insured has received a certificate that certifies the
4 completion of the course.

5 (H) (1) FOR THE PURPOSE OF DETERMINING WHETHER TO CLASSIFY AN
6 INSURED IN A CLASSIFICATION THAT ENTAILS A HIGHER PREMIUM, AN INSURER
7 UNDER AN AUTOMOBILE LIABILITY INSURANCE POLICY MAY NOT AUTOMATICALLY
8 DETERMINE THAT THE INSURED IS MORE THAN 50% AT FAULT IN AN ACCIDENT THAT
9 OCCURS WHEN THE INSURED IS DRIVING DURING INCLEMENT WEATHER SUCH AS
10 SNOW, SLEET, OR FREEZING RAIN.

11 (2) AN ACCIDENT THAT OCCURS WHILE THE INSURED IS DRIVING
12 DURING INCLEMENT WEATHER CONDITIONS IS NOT CHARGEABLE BY THE INSURER
13 AGAINST THE INSURED IF THE INSURED IS DRIVING IN A REASONABLE AND
14 PRUDENT MANNER AT AN APPROPRIATE, REDUCED SPEED BECAUSE OF THE
15 WEATHER CONDITIONS.

16 (3) THE INSURED MAY USE A POLICE REPORT OR OTHER OBJECTIVE
17 EVIDENCE TO PROVE THAT THE INSURED WAS DRIVING IN A REASONABLE AND
18 PRUDENT MANNER AT AN APPROPRIATE, REDUCED SPEED.

19 11-318.

20 (a) All automobile insurance rates shall be made in accordance with the
21 principles set forth in this section.

22 (b) (1) An insurer under an automobile liability insurance policy may not
23 classify or maintain an insured for a period longer than 3 years in a classification that
24 entails a higher premium:

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26 (ii) because of the insured's driving record.

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28 classification that entails a higher premium, an insurer may review only a period not
29 greater than 3 years before:

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31 1. the date of the application; or

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16 in § 16-117(b) of the Transportation Article.

17 (f) If the insured under an automobile insurance policy notifies the insurer of
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5 EVIDENCE TO PROVE THAT THE INSURED WAS DRIVING IN A REASONABLE AND
6 PRUDENT MANNER AT AN APPROPRIATE, REDUCED SPEED.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 1998.