
By: **Chairman, Economic Matters Committee (By Request - Departmental - Insurance Administration, Maryland)**

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Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

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CHAPTER _____

1 AN ACT concerning

2 **Insurance - Property and Casualty - Personal Automobile Liability**
3 **Insurance - Coverage and Premiums**

4 FOR the purpose of clarifying and revising certain notice requirements, time frames,
5 and protest rights for certain cancellations and nonrenewals of certain policies
6 and binders of personal automobile liability insurance; clarifying and revising
7 certain notice requirements, time frames, and protest rights for certain
8 increases in premium and certain reductions in coverage under certain personal
9 automobile liability insurance policies; authorizing the Maryland Insurance
10 Commissioner to adopt certain regulations; defining certain terms; and
11 generally relating to property and casualty insurance.

12 BY repealing
13 Article - Insurance
14 Section 27-605
15 Annotated Code of Maryland
16 (2002 Replacement Volume and 2004 Supplement)

17 BY adding to
18 Article - Insurance
19 Section 27-605 and 27-605.1
20 Annotated Code of Maryland
21 (2002 Replacement Volume and 2004 Supplement)

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

1

Article - Insurance

2 [27-605.

3 (a) In this section, "increase in premium" and "premium increase" include an
4 increase in the premium for any coverage on a policy due to:

- 5 (1) a surcharge;
- 6 (2) retiering or other reclassification of an insured; or
- 7 (3) removal or reduction of a discount.

8 (b) (1) Except in accordance with this article, with respect to a policy of
9 motor vehicle liability insurance or a binder of motor vehicle liability insurance, if the
10 binder has been in effect for at least 45 days, issued in the State to any resident of the
11 household of the named insured, an insurer other than the Maryland Automobile
12 Insurance Fund may not:

- 13 (i) cancel or fail to renew the policy or binder for a reason other
14 than nonpayment of premium;
- 15 (ii) increase a premium for any coverage on the policy; or
- 16 (iii) reduce coverage under the policy.

17 (2) Notwithstanding paragraph (1) of this subsection, the requirements
18 of this section do not apply if:

19 (i) the premium increase described in paragraph (1)(ii) of this
20 subsection is part of a general increase in premiums approved by the Commissioner
21 and does not result from a reclassification of the insured;

22 (ii) the reduction in coverage described in paragraph (1)(iii) of this
23 subsection is part of a general reduction in coverage approved by the Commissioner or
24 satisfies the requirements of Title 19, Subtitle 5 of this article; or

25 (iii) the failure to renew the policy takes place under a plan of
26 withdrawal that:

27 1. is approved by the Commissioner under § 27-603 of this
28 subtitle; and

29 2. provides that each insured affected by the plan of
30 withdrawal shall be sent by certificate of mailing at least 45 days before the
31 nonrenewal of the policy a written notice that states the date that the policy will be
32 nonrenewed and that the nonrenewal is the result of the withdrawal of the insurer
33 from the market.

1 (c) (1) At least 45 days before the proposed effective date of the action, an
2 insurer that intends to take an action subject to this section must send written notice
3 of its proposed action to the insured at the last known address of the insured:

4 (i) for notice of cancellation or nonrenewal, by certified mail; and

5 (ii) for all other notices of actions subject to this section, by
6 certificate of mailing.

7 (2) The notice must be in triplicate and on a form approved by the
8 Commissioner.

9 (3) The notice must state in clear and specific terms:

10 (i) the proposed action to be taken, including:

11 1. for a premium increase, the amount of the increase and
12 the type of coverage to which it is applicable; and

13 2. for a reduction in coverage, the type of coverage reduced
14 and the extent of the reduction;

15 (ii) the proposed effective date of the action;

16 (iii) subject to paragraph (4) of this subsection, the actual reason of
17 the insurer for proposing to take the action;

18 (iv) if there is coupled with the notice an offer to continue or renew
19 the policy in accordance with § 27-606 of this subtitle:

20 1. the name of the individual or individuals to be excluded
21 from coverage; and

22 2. the premium amount if the policy is continued or renewed
23 with the named individual or individuals excluded from coverage;

24 (v) the right of the insured to replace the insurance through the
25 Maryland Automobile Insurance Fund and the current address and telephone number
26 of the Fund;

27 (vi) the right of the insured to protest the proposed action of the
28 insurer and, except in the case of a premium increase of 15% or less for the entire
29 policy, request a hearing before the Commissioner on the proposed action by signing
30 two copies of the notice and sending them to the Commissioner within 30 days after
31 the mailing date of the notice;

32 (vii) except for a premium increase of 15% or less for the entire
33 policy, that if a protest is filed by the insured, the insurer must maintain the current
34 insurance in effect until a final determination is made by the Commissioner, subject
35 to the payment of any authorized premium due or becoming due before the
36 determination;

1 (viii) the authority of the Commissioner to award reasonable
2 attorney fees to the insured for representation at a hearing if the Commissioner finds
3 the proposed action of the insurer to be unjustified; and

4 (ix) if the proposed action is based wholly or partly on a credit score
5 or information from a credit report:

6 1. the name, address, and telephone number of the consumer
7 reporting agency that furnished the credit report to the insurer, including the
8 toll-free telephone number established by the agency if the agency compiles and
9 maintains files on consumers on a nationwide basis;

10 2. that the consumer reporting agency did not make the
11 decision to take the proposed action and is unable to provide the insured the specific
12 reasons why the action is proposed to be taken;

13 3. that the insured may obtain, under § 1681 of the federal
14 Fair Credit Reporting Act, a free copy of the credit report of the insured from the
15 consumer reporting agency within 60 days after receipt of the notice; and

16 4. that the insured may dispute, under § 1681i of the federal
17 Fair Credit Reporting Act, with the consumer reporting agency the accuracy or
18 completeness of any information in the credit report furnished by the agency.

19 (4) (i) The insurer's statement of actual reason for proposing to take
20 an action subject to this section must be sufficiently clear and specific so that an
21 individual of average intelligence can identify the basis for the insurer's decision
22 without making further inquiry.

23 (ii) The use of generalized terms such as "personal habits", "living
24 conditions", "poor morals", or "violation or accident record" does not meet the
25 requirements of this paragraph.

26 (iii) The Commissioner may not disallow a proposed action of an
27 insurer because the statement of actual reason contains:

28 1. grammatical errors, typographical errors, or other errors
29 provided that the errors are nonmaterial and not misleading; or

30 2. surplus information, provided that the surplus
31 information is nonmaterial and not misleading.

32 (d) At least 10 days before the date an insurer proposes to cancel a policy for
33 nonpayment of premium, the insurer shall cause to be sent to the insured, by
34 certificate of mailing, a written notice of intention to cancel for nonpayment of
35 premium.

36 (e) A statement of actual reason contained in the notice given under
37 subsection (c) of this section is privileged and does not constitute grounds for an

1 action against the insurer, its representatives, or another person that in good faith
2 provides to the insurer information on which the statement is based.

3 (f) (1) This subsection does not apply to an action of an insurer taken under
4 subsection (d) of this section.

5 (2) An insured may protest a proposed action of the insurer under this
6 section by signing two copies of the notice and sending them to the Commissioner
7 within 30 days after the mailing date of the notice.

8 (3) On receipt of a protest, the Commissioner shall notify the insurer of
9 the filing of the protest.

10 (4) Except for a premium increase of 15% or less for the entire policy, a
11 protest filed with the Commissioner stays the proposed action of the insurer pending
12 a final determination by the Commissioner.

13 (5) (i) Except for a premium increase of 15% or less for the entire
14 policy, the insurer shall maintain in effect the same coverage and premium that were
15 in effect on the day the notice of proposed action was sent to the insured until a final
16 determination is made, subject to the payment of any authorized premium due or
17 becoming due before the determination.

18 (ii) In the case of a premium increase, a dismissal of the protest or
19 disallowance of the premium increase is deemed to be a final determination of the
20 Commissioner 20 days after the mailing date of the Commissioner's notice of action.

21 (g) (1) Based on the information contained in the notice, the Commissioner:

22 (i) shall determine whether the protest by the insured has merit;
23 and

24 (ii) either shall dismiss the protest or disallow the proposed action
25 of the insurer.

26 (2) The Commissioner shall notify the insurer and the insured of the
27 action of the Commissioner promptly in writing.

28 (3) Subject to paragraph (4) of this subsection, within 30 days after the
29 mailing date of the Commissioner's notice of action, the aggrieved party may request
30 a hearing.

31 (4) Except in the case of a premium increase of 15% or less for the entire
32 policy the Commissioner shall:

33 (i) hold a hearing within a reasonable time after the request for a
34 hearing; and

35 (ii) give written notice of the time and place of the hearing at least
36 10 days before the hearing.

1 (5) A hearing held under this subsection shall be conducted in
2 accordance with Title 10, Subtitle 2 of the State Government Article.

3 (6) At the hearing the insurer has the burden of proving its proposed
4 action to be justified and, in doing so, may rely only on the reasons set forth in its
5 notice to the insured.

6 (h) (1) The Commissioner shall issue an order within 30 days after the
7 conclusion of the hearing.

8 (2) If the Commissioner finds the proposed action of the insurer to be
9 justified, the Commissioner shall:

10 (i) dismiss the protest; and

11 (ii) allow the proposed action to be taken on the later of:

12 1. its proposed effective date; and

13 2. 30 days after the date of the determination.

14 (3) If the Commissioner finds the proposed action to be unjustified, the
15 Commissioner:

16 (i) shall disallow the action; and

17 (ii) may order the insurer to pay reasonable attorney fees incurred
18 by the insured for representation at the hearing as the Commissioner considers
19 appropriate.

20 (i) The Commissioner may delegate the powers and duties of the
21 Commissioner under this section to one or more employees or hearing examiners.

22 (j) (1) If the Commissioner disallows a premium increase of 15% or less for
23 the entire policy, the insurer, within 30 days after the disallowance, shall:

24 (i) return to the insured all disallowed premium received from the
25 insured; and

26 (ii) pay to the insured interest on the disallowed premium received
27 from the insured calculated at 10% per annum from the date the disallowed premium
28 was received to the date the disallowed premium was returned.

29 (2) If an insurer fails to return any disallowed premium or fails to pay
30 interest to an insured in violation of paragraph (1) of this subsection, the insurer is in
31 violation of this article and subject to the penalties under § 4-113(d) of this article.

32 (k) A party to a proceeding under this section may appeal the decision of the
33 Commissioner in accordance with § 2-215 of this article.

1 (I) The Commissioner may adopt regulations that exclude from the
2 requirements of this section certain types of premium increases, except for premium
3 increases due to:

4 (1) an accident;

5 (2) a violation of the Maryland vehicle law or the vehicle law of another
6 state;

7 (3) the claims history of the insured;

8 (4) the credit history or the credit score of the insured;

9 (5) a retiering of the insured; or

10 (6) a surcharge.]

11 27-605.

12 (A) IN THIS SECTION, "NAMED INSURED" HAS THE MEANING STATED IN §
13 19-501 OF THIS ARTICLE.

14 (B) (1) EXCEPT IN ACCORDANCE WITH THIS ARTICLE, WITH RESPECT TO A
15 PERSONAL AUTOMOBILE LIABILITY INSURANCE POLICY OR A BINDER OF PERSONAL
16 AUTOMOBILE LIABILITY INSURANCE, IF THE BINDER HAS BEEN IN EFFECT FOR AT
17 LEAST 45 DAYS, ISSUED IN THE STATE TO ANY RESIDENT OF THE HOUSEHOLD OF
18 THE NAMED INSURED, AN INSURER OTHER THAN THE MARYLAND AUTOMOBILE
19 INSURANCE FUND MAY NOT CANCEL OR FAIL TO RENEW THE POLICY OR CANCEL
20 THE BINDER FOR A REASON OTHER THAN NONPAYMENT OF PREMIUM.

21 (2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, THE
22 REQUIREMENTS OF THIS SECTION DO NOT APPLY IF THE FAILURE TO RENEW THE
23 POLICY TAKES PLACE UNDER A PLAN OF WITHDRAWAL THAT:

24 (I) IS APPROVED BY THE COMMISSIONER UNDER § 27-603 OF THIS
25 SUBTITLE; AND

26 (II) PROVIDES THAT EACH FIRST NAMED INSURED AFFECTED BY
27 THE PLAN OF WITHDRAWAL SHALL BE SENT, BY CERTIFICATE OF MAILING, AT LEAST
28 45 DAYS BEFORE THE NONRENEWAL OF THE POLICY A WRITTEN NOTICE THAT
29 STATES THE DATE THAT THE POLICY WILL BE NONRENEWED AND THAT THE
30 NONRENEWAL IS THE RESULT OF THE WITHDRAWAL OF THE INSURER FROM THE
31 MARKET.

32 (C) (1) EXCEPT AS PROVIDED IN SUBSECTION (G) OF THIS SECTION, AT
33 LEAST 45 DAYS BEFORE THE PROPOSED EFFECTIVE DATE OF THE ACTION, AN
34 INSURER THAT INTENDS TO TAKE AN ACTION SUBJECT TO THIS SECTION SHALL
35 SEND WRITTEN NOTICE OF ITS PROPOSED ACTION TO THE FIRST NAMED INSURED AT
36 THE LAST KNOWN ADDRESS OF THE FIRST NAMED INSURED BY CERTIFIED MAIL.

1 (2) THE NOTICE SHALL BE IN DUPLICATE AND ON A FORM APPROVED BY
2 THE COMMISSIONER.

3 (3) THE NOTICE SHALL INCLUDE A STATEMENT OF THE ACTUAL
4 REASON OF THE INSURER FOR TAKING THE PROPOSED ACTION, INCLUDING AT A
5 MINIMUM:

6 (I) IF THE ACTION OF THE INSURER IS DUE WHOLLY OR PARTLY
7 TO AN ACCIDENT OR A VIOLATION OF THE MARYLAND MOTOR VEHICLE LAW OR THE
8 MOTOR VEHICLE LAW OF ANOTHER STATE:

- 9 1. AN INDICATION OF WHETHER THE INCIDENT IS AN
10 ACCIDENT OR A VIOLATION;
- 11 2. THE DATE ON WHICH THE ACCIDENT OR VIOLATION
12 OCCURRED;
- 13 3. IF AN ACCIDENT, WHETHER THE INSURED WAS AT FAULT
14 OR NEGLIGENT; AND
- 15 4. IF A VIOLATION, THE NATURE OF THE VIOLATION;

16 (II) IF THE ACTION OF THE INSURER IS DUE WHOLLY OR PARTLY
17 TO A CLAIM OTHER THAN AN ACCIDENT-RELATED CLAIM, THE DATE THAT THE
18 CLAIM OCCURRED AND A DESCRIPTION OF THE CLAIM THAT IS THE BASIS OF THE
19 INSURER'S ACTION, SUCH AS:

- 20 1. "THEFT OF VEHICLE ON (DATE)";
- 21 2. "VANDALISM OF VEHICLE ON (DATE)"; OR
- 22 3. "TOWING CLAIM ON (DATE)"; AND

23 (III) ~~IF THE PROPOSED ACTION IS BASED WHOLLY OR PARTLY ON~~
24 ~~INFORMATION FROM A CONSUMER CREDIT REPORT:~~

25 ~~1. THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE~~
26 ~~CONSUMER REPORTING AGENCY THAT FURNISHED THE CREDIT REPORT,~~
27 ~~INCLUDING THE TOLL FREE NUMBER ESTABLISHED BY THE AGENCY IF THE~~
28 ~~AGENCY COMPILES AND MAINTAINS FILES ON CONSUMERS ON A NATIONWIDE~~
29 ~~BASIS;~~

30 ~~2. THAT THE CONSUMER REPORTING AGENCY DID NOT~~
31 ~~MAKE THE DECISION TO TAKE THE PROPOSED ACTION AND IS UNABLE TO PROVIDE~~
32 ~~THE NAMED INSURED THE SPECIFIC REASONS WHY THE ACTION IS PROPOSED TO BE~~
33 ~~TAKEN;~~

34 ~~3. THAT THE INSURED MAY OBTAIN, UNDER § 1681 OF THE~~
35 ~~FEDERAL FAIR CREDIT REPORTING ACT, A FREE COPY OF THE CREDIT REPORT OF~~

1 ~~THE INSURED FROM THE CONSUMER REPORTING AGENCY WITHIN 60 DAYS AFTER~~
2 ~~RECEIPT OF THE NOTICE; AND~~

3 ~~4. THAT THE INSURED MAY DISPUTE, UNDER § 1681I OF THE~~
4 ~~FEDERAL FAIR CREDIT REPORTING ACT, WITH A CONSUMER REPORTING AGENCY~~
5 ~~THE ACCURACY OR COMPLETENESS OF ANY INFORMATION IN THE CREDIT REPORT~~
6 ~~FURNISHED BY THE AGENCY; AND~~

7 ~~(IV)~~ IF THE ACTION OF THE INSURER IS DUE WHOLLY OR PARTLY
8 TO A REASON OTHER THAN THOSE DESCRIBED IN ITEMS (I), ~~(II), AND (III)~~ AND (II) OF
9 THIS PARAGRAPH OR TO A VIOLATION OF THE LAWFUL TERMS AND CONDITIONS OF
10 THE POLICY OR THE UNDERWRITING STANDARDS OF THE INSURER, A DESCRIPTION
11 OF THE ACTION OF THE INSURED THAT IS THE BASIS OF THE INSURER'S ACTION,
12 SUCH AS:

13 1. "INSURED LENDS THE INSURED VEHICLE TO AN
14 EXCLUDED DRIVER"; OR

15 2. "INSURED LENDS THE INSURED VEHICLE TO A
16 NONLISTED DRIVER".

17 (4) THE NOTICE SHALL ADVISE THE FIRST NAMED INSURED OF THE
18 RIGHT TO REPLACE THE INSURANCE THROUGH THE MARYLAND AUTOMOBILE
19 INSURANCE FUND AND INCLUDE THE CURRENT ADDRESS AND TELEPHONE NUMBER
20 OF THE MARYLAND AUTOMOBILE INSURANCE FUND.

21 (5) IN ADDITION TO THE INFORMATION REQUIRED BY PARAGRAPHS (3)
22 AND (4) OF THIS SUBSECTION, THE NOTICE SHALL INDICATE WHETHER THE ACTION
23 BY THE INSURED:

24 (I) DISQUALIFIES THE INSURED UNDER THE INSURER'S FILED
25 RATING PLAN OR UNDERWRITING STANDARDS; OR

26 (II) VIOLATES THE LAWFUL TERMS AND CONDITIONS OF THE
27 POLICY.

28 (6) THE NOTICE SHALL STATE THE CONDITIONS UNDER WHICH THE
29 COMMISSIONER MUST ORDER PAYMENT OF ATTORNEY FEES IN ACCORDANCE WITH
30 SUBSECTION (F)(13) OF THIS SECTION.

31 (D) A STATEMENT OF ACTUAL REASON CONTAINED IN THE NOTICE OF
32 PROPOSED ACTION GIVEN UNDER SUBSECTION (C) OF THIS SECTION IS PRIVILEGED
33 AND DOES NOT CONSTITUTE GROUNDS FOR AN ACTION AGAINST THE INSURER, ITS
34 REPRESENTATIVES, OR ANOTHER PERSON THAT IN GOOD FAITH PROVIDES TO THE
35 INSURER INFORMATION ON WHICH THE STATEMENT IS BASED.

36 (E) IF THERE IS COUPLED WITH THE NOTICE OF PROPOSED ACTION GIVEN
37 UNDER SUBSECTION (C) OF THIS SECTION AN OFFER TO CONTINUE OR RENEW THE
38 POLICY, WITH AN EXCLUSION, IN ACCORDANCE WITH § 27-606 OF THIS SUBTITLE,
39 THE OFFER SHALL INCLUDE:

1 (1) THE NAME OF THE INDIVIDUAL OR INDIVIDUALS TO BE EXCLUDED
2 FROM COVERAGE; AND

3 (2) THE PREMIUM AMOUNT OF THE POLICY IF RENEWED WITHOUT THE
4 NAMED INDIVIDUAL OR INDIVIDUALS.

5 (F) (1) THIS SUBSECTION DOES NOT APPLY TO AN ACTION OF AN INSURER
6 TAKEN UNDER SUBSECTION (G) OF THIS SECTION.

7 (2) A NAMED INSURED MAY PROTEST A PROPOSED ACTION OF AN
8 INSURER BY SIGNING A COPY OF THE NOTICE OF PROPOSED ACTION UNDER
9 SUBSECTION (C) OF THIS SECTION AND DELIVERING THE COPY TO THE
10 COMMISSIONER WITHIN 30 DAYS AFTER THE MAILING DATE OF THE NOTICE.

11 (3) ON RECEIPT OF A PROTEST, THE COMMISSIONER SHALL NOTIFY THE
12 INSURER OF THE FILING OF THE PROTEST.

13 (4) A PROTEST FILED WITH THE COMMISSIONER STAYS THE PROPOSED
14 ACTION OF THE INSURER PENDING A DETERMINATION BY THE COMMISSIONER.

15 (5) THE INSURER SHALL MAINTAIN IN EFFECT THE SAME COVERAGE
16 AND PREMIUM THAT WERE IN EFFECT ON THE DAY THE NOTICE OF PROPOSED
17 ACTION WAS SENT TO THE FIRST NAMED INSURED UNTIL A DETERMINATION IS
18 MADE BY THE COMMISSIONER, SUBJECT TO THE PAYMENT OF ANY AUTHORIZED
19 PREMIUM DUE OR BECOMING DUE BEFORE THE DETERMINATION.

20 (6) BASED ON THE INFORMATION CONTAINED IN THE NOTICE, THE
21 COMMISSIONER SHALL:

22 (I) DETERMINE WHETHER THE PROTEST BY THE NAMED INSURED
23 HAS MERIT; AND

24 (II) ISSUE A DETERMINATION EITHER:

25 1. UPHOLDING THE PROTEST AND DISALLOWING THE
26 PROPOSED ACTION; OR

27 2. DISMISSING THE PROTEST AND ALLOWING THE
28 PROPOSED ACTION.

29 (7) THE COMMISSIONER MAY NOT DISALLOW A PROPOSED ACTION OF
30 AN INSURER BECAUSE THE STATEMENT OF ACTUAL REASON IN THE NOTICE
31 CONTAINS:

32 (I) GRAMMATICAL ERRORS, TYPOGRAPHICAL ERRORS, OR OTHER
33 ERRORS, PROVIDED THAT THE ERRORS ARE NONMATERIAL AND NOT MISLEADING;
34 OR

35 (II) SURPLUS INFORMATION, PROVIDED THAT THE SURPLUS
36 INFORMATION IS NONMATERIAL AND NOT MISLEADING.

1 (8) IF THE COMMISSIONER FINDS THE PROPOSED ACTION OF THE
2 INSURER TO BE IN ACCORDANCE WITH THE INSURER'S FILED RATING PLAN, ITS
3 UNDERWRITING STANDARDS, OR THE LAWFUL TERMS AND CONDITIONS OF THE
4 POLICY, AS APPLICABLE, THE COMMISSIONER SHALL:

5 (I) DISMISS THE PROTEST; AND

6 (II) ALLOW THE PROPOSED ACTION TO BE TAKEN ON THE LATER
7 OF:

8 1. ITS PROPOSED EFFECTIVE DATE; OR

9 2. 30 DAYS AFTER THE DATE OF THE DETERMINATION.

10 (9) IF THE COMMISSIONER FINDS THAT THE ACTUAL REASON FOR THE
11 PROPOSED ACTION IS NOT STATED IN THE NOTICE OR FINDS THE PROPOSED ACTION
12 NOT TO BE IN ACCORDANCE WITH THE INSURER'S FILED RATING PLAN, ITS
13 UNDERWRITING STANDARDS, OR THE LAWFUL TERMS AND CONDITIONS OF THE
14 POLICY, THE COMMISSIONER SHALL:

15 (I) UPHOLD THE PROTEST; AND

16 (II) DISALLOW THE PROPOSED ACTION.

17 (10) THE COMMISSIONER SHALL NOTIFY THE INSURER AND THE NAMED
18 INSURED OF THE DETERMINATION PROMPTLY IN WRITING.

19 (11) A DETERMINATION ISSUED UNDER THIS SUBSECTION IS EFFECTIVE
20 30 DAYS AFTER THE DATE OF THE DETERMINATION.

21 (12) A PARTY AGGRIEVED BY THE DETERMINATION MAY REQUEST A
22 HEARING IN ACCORDANCE WITH § 2-210 OF THIS ARTICLE.

23 (13) ~~THE COMMISSIONER SHALL HAVE THE SOLE DISCRETION TO ORDER~~
24 ~~THE INSURER TO PAY REASONABLE ATTORNEY'S FEES INCURRED BY THE NAMED~~
25 ~~INSURED FOR REPRESENTATION AT THE HEARING IF THE COMMISSIONER~~
26 ~~CONSIDERS THE FEES APPROPRIATE~~ THE COMMISSIONER SHALL ORDER THE
27 INSURER TO PAY REASONABLE ATTORNEY FEES INCURRED BY THE NAMED INSURED
28 FOR REPRESENTATION AT THE HEARING, AS THE COMMISSIONER CONSIDERS
29 APPROPRIATE, IF THE COMMISSIONER:

30 (I) UPHOLDS THE PROTEST AND DISALLOWS THE ACTION UNDER
31 PARAGRAPH (9) OF THIS SUBSECTION; AND

32 (II) FINDS THAT:

33 1. THE INSURER'S CONDUCT IN MAINTAINING OR
34 DEFENDING THE PROCEEDING WAS IN BAD FAITH; OR

35 2. THE INSURER ACTED WILLFULLY IN THE ABSENCE OF A
36 BONA FIDE DISPUTE.

1 (14) FOLLOWING THE ISSUANCE OF AN ORDER FROM AN
2 ADMINISTRATIVE HEARING, AN AGGRIEVED PARTY MAY SEEK JUDICIAL REVIEW IN
3 ACCORDANCE WITH § 2-215 OF THIS ARTICLE.

4 (G) AT LEAST 10 DAYS BEFORE THE DATE AN INSURER PROPOSES TO CANCEL
5 A POLICY FOR NONPAYMENT OF PREMIUM, THE INSURER SHALL CAUSE TO BE SENT
6 TO THE FIRST NAMED INSURED, BY CERTIFICATE OF MAILING, A WRITTEN NOTICE
7 OF INTENTION TO CANCEL FOR NONPAYMENT OF PREMIUM.

8 (H) THE COMMISSIONER MAY DELEGATE THE POWERS AND DUTIES OF THE
9 COMMISSIONER UNDER THIS SECTION TO ONE OR MORE EMPLOYEES OR HEARING
10 OFFICERS.

11 (I) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS
12 SECTION.

13 27-605.1.

14 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
15 INDICATED.

16 (2) "AFFILIATE" HAS THE MEANING STATED IN § 7-101 OF THIS ARTICLE.

17 (3) "NAMED INSURED" HAS THE MEANING STATED IN § 19-501 OF THIS
18 ARTICLE.

19 (4) "RATING SYMBOL" MEANS A SYMBOL ASSIGNED TO A MAKE OR
20 MODEL OF VEHICLE TO REFLECT THE LOSS EXPERIENCE OF THAT MAKE OR MODEL
21 OF VEHICLE.

22 (5) (I) "RECLASSIFICATION" MEANS THE PLACEMENT OF A NAMED
23 INSURED BY AN INSURER INTO A DIFFERENT CLASSIFICATION BASED ON ONE OR
24 MORE OF THE FOLLOWING CRITERIA:

- 25 1. AGE, SEX, OR MARITAL STATUS OF THE NAMED INSURED;
26 2. ACCIDENT OR DRIVING RECORD OF THE NAMED INSURED;
27 3. USAGE, INCLUDING MILEAGE DRIVEN, OF AN INSURED
28 VEHICLE; OR
29 4. PERFORMANCE CLASSIFICATION (HIGH PERFORMANCE,
30 INTERMEDIATE PERFORMANCE, AND SPORTS TYPE) OF AN INSURED VEHICLE.

31 (II) "RECLASSIFICATION" INCLUDES THE ASSIGNMENT,
32 PLACEMENT, OR TRANSFER OF A NAMED INSURED WITHIN OR AMONG AFFILIATES
33 WITHIN AN INSURANCE HOLDING COMPANY SYSTEM.

34 (III) "RECLASSIFICATION" DOES NOT INCLUDE THE CHANGE OR
35 MODIFICATION OF A RATING SYMBOL.

1 (6) (I) "REDUCTION IN COVERAGE" INCLUDES:

2 1. A REDUCTION OF ANY LIMIT FOR LIABILITY COVERAGE,
3 UNINSURED MOTORIST COVERAGE, OR PERSONAL INJURY PROTECTION COVERAGE
4 IF THE LIMIT IS GREATER THAN THE STATUTORILY REQUIRED MINIMUM; AND

5 2. A REDUCTION OR ELIMINATION OF TOWING COVERAGE,
6 RENTAL COVERAGE, OR ANY OTHER COVERAGE.

7 (II) "REDUCTION IN COVERAGE" DOES NOT INCLUDE:

8 1. THE ELIMINATION OF ANY COVERAGE THAT IS NO
9 LONGER OFFERED BY AN INSURER IN ACCORDANCE WITH ITS FILED RATING PLAN;
10 OR

11 2. A REDUCTION OR ELIMINATION OF COVERAGE MADE AT
12 THE REQUEST OF A NAMED INSURED.

13 (B) (1) THIS SECTION APPLIES TO ANY INCREASE IN PREMIUM OR
14 REDUCTION IN COVERAGE UNDER A PERSONAL AUTOMOBILE LIABILITY INSURANCE
15 POLICY ISSUED IN THE STATE TO ANY RESIDENT OF THE HOUSEHOLD OF THE
16 NAMED INSURED.

17 (2) THIS SECTION DOES NOT APPLY TO:

18 (I) A GENERAL RATE INCREASE THAT MEETS THE REQUIREMENTS
19 OF TITLE 11, SUBTITLE 3 OF THIS ARTICLE;

20 (II) A GENERAL REDUCTION IN COVERAGE APPROVED BY THE
21 COMMISSIONER; ~~OR~~

22 (III) AN INCREASE IN PREMIUM DUE TO:

23 1. A CHANGE IN VEHICLE USAGE THAT RESULTS IN A
24 CHANGE IN DRIVER CLASS;

25 2. A CHANGE OF TERRITORY;

26 3. A REQUEST BY A NAMED INSURED THAT RESULTS IN A
27 CHANGE IN COVERAGE, DECREASE IN DEDUCTIBLE, OR OTHER CHANGE TO A
28 POLICY;

29 4. THE REMOVAL OR REDUCTION OF A DISCOUNT IF THE
30 DISCOUNT IS NOT REMOVED OR REDUCED WHOLLY OR PARTLY DUE TO:

31 A. AN ACCIDENT;

32 B. A VIOLATION OF THE MARYLAND MOTOR VEHICLE LAW
33 OR THE MOTOR VEHICLE LAW OF ANOTHER STATE;

34 C. THE CLAIMS HISTORY OF AN INSURED; OR

1 D. A RECLASSIFICATION OF A NAMED INSURED; OR

2 5. ANY OTHER CAUSE FOR AN INCREASE IN PREMIUM FOR
3 WHICH THE COMMISSIONER WAIVES THE NOTICE REQUIREMENT; OR

4 (IV) THE MARYLAND AUTOMOBILE INSURANCE FUND.

5 (C) (1) AT LEAST 45 DAYS BEFORE THE PROPOSED EFFECTIVE DATE OF THE
6 ACTION, AN INSURER THAT INTENDS TO TAKE AN ACTION SUBJECT TO THIS SECTION
7 SHALL SEND WRITTEN NOTICE OF ITS PROPOSED ACTION TO THE FIRST NAMED
8 INSURED AT THE LAST KNOWN ADDRESS OF THE FIRST NAMED INSURED BY
9 CERTIFICATE OF MAILING.

10 (2) THE NOTICE SHALL BE IN DUPLICATE AND ON A FORM APPROVED BY
11 THE COMMISSIONER.

12 (3) (I) FOR AN INCREASE IN PREMIUM GREATER THAN 15% FOR THE
13 ENTIRE POLICY, THE NOTICE SHALL INCLUDE A STATEMENT THAT A NAMED
14 INSURED HAS THE RIGHT TO:

15 1. PROTEST THE PROPOSED INCREASE IN PREMIUM; AND

16 2. REQUEST A HEARING BEFORE THE COMMISSIONER ON
17 THE INSURER'S PROPOSED ACTION BY SIGNING A COPY OF THE NOTICE AND
18 DELIVERING THE COPY TO THE COMMISSIONER WITHIN 30 DAYS AFTER THE
19 MAILING DATE OF THE NOTICE.

20 (II) THE FIRST NAMED INSURED IS NOT OBLIGATED TO PAY THE
21 AMOUNT OF THE INCREASE, BUT MUST PAY THAT PORTION OF THE PREMIUM THAT
22 IS NOT UNDER PROTEST AND THAT IS DUE OR BECOMES DUE BEFORE THE
23 DETERMINATION.

24 (4) (I) FOR AN INCREASE IN PREMIUM OF 15% OR LESS FOR THE
25 ENTIRE POLICY, THE NOTICE SHALL INCLUDE A STATEMENT THAT A NAMED
26 INSURED HAS THE RIGHT TO PROTEST THE PROPOSED INCREASE IN PREMIUM BY
27 SIGNING A COPY OF THE NOTICE AND DELIVERING THE COPY TO THE
28 COMMISSIONER WITHIN 30 DAYS AFTER THE MAILING DATE OF THE NOTICE.

29 (II) THE FIRST NAMED INSURED MUST PAY ANY AUTHORIZED
30 PREMIUM THAT IS DUE OR BECOMES DUE BEFORE THE DETERMINATION.

31 (5) FOR A REDUCTION IN COVERAGE, THE NOTICE SHALL INCLUDE A
32 STATEMENT THAT A NAMED INSURED HAS THE RIGHT TO:

33 (I) PROTEST THE PROPOSED REDUCTION IN COVERAGE; AND

34 (II) REQUEST A HEARING BEFORE THE COMMISSIONER ON THE
35 INSURER'S PROPOSED ACTION BY SIGNING A COPY OF THE NOTICE AND DELIVERING
36 THE COPY TO THE COMMISSIONER WITHIN 30 DAYS AFTER THE MAILING DATE OF
37 THE NOTICE.

1 (6) THE NOTICE SHALL INCLUDE A STATEMENT OF THE ACTUAL
 2 REASON OF THE INSURER FOR TAKING THE PROPOSED ACTION, INCLUDING AT A
 3 MINIMUM:

4 (I) IF THE ACTION OF THE INSURER IS DUE WHOLLY OR PARTLY
 5 TO AN ACCIDENT OR A VIOLATION OF THE MARYLAND MOTOR VEHICLE LAW OR THE
 6 MOTOR VEHICLE LAW OF ANOTHER STATE:

- 7 1. AN INDICATION OF WHETHER THE INCIDENT IS AN
 8 ACCIDENT OR A VIOLATION;
- 9 2. THE DATE ON WHICH THE ACCIDENT OR VIOLATION
 10 OCCURRED;
- 11 3. IF AN ACCIDENT, WHETHER THE INSURED WAS AT FAULT
 12 OR NEGLIGENT; AND
- 13 4. IF A VIOLATION, THE NATURE OF THE VIOLATION;

14 (II) IF THE ACTION OF THE INSURER IS DUE WHOLLY OR PARTLY
 15 TO A CLAIM OTHER THAN AN ACCIDENT-RELATED CLAIM, THE DATE THAT THE
 16 CLAIM OCCURRED AND A DESCRIPTION OF THE CLAIM THAT IS THE BASIS OF THE
 17 INSURER'S ACTION, SUCH AS:

- 18 1. "THEFT OF VEHICLE ON (DATE)";
- 19 2. "VANDALISM OF VEHICLE ON (DATE)"; OR
- 20 3. "TOWING CLAIM ON (DATE)"; AND

21 (III) ~~IF THE PROPOSED ACTION IS BASED WHOLLY OR PARTLY ON~~
 22 ~~INFORMATION FROM A CONSUMER CREDIT REPORT:~~

23 ~~1. THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE~~
 24 ~~CONSUMER REPORTING AGENCY THAT FURNISHED THE CREDIT REPORT,~~
 25 ~~INCLUDING THE TOLL FREE NUMBER ESTABLISHED BY THE AGENCY IF THE~~
 26 ~~AGENCY COMPILES AND MAINTAINS FILES ON CONSUMERS ON A NATIONWIDE~~
 27 ~~BASIS;~~

28 ~~2. THAT THE CONSUMER REPORTING AGENCY DID NOT~~
 29 ~~MAKE THE DECISION TO TAKE THE PROPOSED ACTION AND IS UNABLE TO PROVIDE~~
 30 ~~THE NAMED INSURED THE SPECIFIC REASONS WHY THE ACTION IS PROPOSED TO BE~~
 31 ~~TAKEN;~~

32 ~~3. THAT THE INSURED MAY OBTAIN, UNDER § 1681 OF THE~~
 33 ~~FEDERAL FAIR CREDIT REPORTING ACT, A FREE COPY OF THE CREDIT REPORT OF~~
 34 ~~THE INSURED FROM THE CONSUMER REPORTING AGENCY WITHIN 60 DAYS AFTER~~
 35 ~~RECEIPT OF THE NOTICE; AND~~

1 4- ~~THAT THE INSURED MAY DISPUTE, UNDER § 1681I OF THE~~
2 ~~FEDERAL FAIR CREDIT REPORTING ACT, WITH A CONSUMER REPORTING AGENCY~~
3 ~~THE ACCURACY OR COMPLETENESS OF ANY INFORMATION IN THE CREDIT REPORT~~
4 ~~FURNISHED BY THE AGENCY; AND~~

5 (IV) IF THE ACTION OF THE INSURER IS DUE WHOLLY OR PARTLY
6 TO A REASON OTHER THAN THOSE DESCRIBED IN ITEMS (I), ~~(II), AND (III)~~ AND (II) OF
7 THIS PARAGRAPH, THE UNDERWRITING STANDARDS OF THE INSURER, OR THE
8 LAWFUL TERMS AND CONDITIONS OF THE POLICY, A DESCRIPTION OF THE ACTION
9 OF THE INSURED THAT IS THE BASIS OF THE INSURER'S ACTION, SUCH AS "INSURED
10 LENDS THE INSURED VEHICLE TO A NONLISTED DRIVER".

11 (7) IN ADDITION TO THE INFORMATION REQUIRED BY PARAGRAPHS (3)
12 THROUGH (6) OF THIS SUBSECTION, THE NOTICE SHALL INCLUDE A STATEMENT OF
13 THE ACTION BY THE INSURED THAT EXCEEDS THE INSURER'S RATING CRITERIA
14 THAT IS THE BASIS OF THE INCREASE IN PREMIUM.

15 (8) THE NOTICE SHALL STATE THE CONDITIONS UNDER WHICH THE
16 COMMISSIONER MUST ORDER ATTORNEY FEES IN ACCORDANCE WITH SUBSECTION
17 (H)(2) OF THIS SECTION.

18 (D) A STATEMENT OF ACTUAL REASON CONTAINED IN THE NOTICE OF
19 PROPOSE ACTION GIVEN UNDER SUBSECTION (C) OF THIS SECTION IS PRIVILEGED
20 AND DOES NOT CONSTITUTE GROUNDS FOR AN ACTION AGAINST THE INSURER, ITS
21 REPRESENTATIVES, OR ANOTHER PERSON THAT IN GOOD FAITH PROVIDES TO THE
22 INSURER INFORMATION ON WHICH THE STATEMENT IS BASED.

23 (E) IF THERE IS COUPLED WITH THE NOTICE OF PROPOSED ACTION GIVEN
24 UNDER SUBSECTION (C) OF THIS SECTION AN OFFER TO CONTINUE OR RENEW THE
25 POLICY, WITH AN EXCLUSION, IN ACCORDANCE WITH § 27-606 OF THIS SUBTITLE,
26 THE OFFER SHALL INCLUDE:

27 (1) THE NAME OF THE INDIVIDUAL OR INDIVIDUALS TO BE EXCLUDED
28 FROM COVERAGE; AND

29 (2) THE PREMIUM AMOUNT OF THE POLICY IF RENEWED WITHOUT THE
30 NAMED INDIVIDUAL OR INDIVIDUALS.

31 (F) (1) A NAMED INSURED MAY PROTEST AN INCREASE IN PREMIUM OR A
32 REDUCTION IN COVERAGE BY SIGNING A COPY OF THE NOTICE OF PROPOSED
33 ACTION GIVEN UNDER SUBSECTION (C) OF THIS SECTION AND DELIVERING THE
34 COPY TO THE COMMISSIONER WITHIN 30 DAYS AFTER THE MAILING DATE OF THE
35 NOTICE.

36 (2) ON RECEIPT OF A PROTEST, THE COMMISSIONER SHALL NOTIFY THE
37 INSURER OF THE FILING OF THE PROTEST.

38 (3) FOR AN INCREASE IN PREMIUM GREATER THAN 15% FOR THE
39 ENTIRE POLICY, A PROTEST FILED WITH THE COMMISSIONER STAYS THE PROPOSED
40 ACTION OF THE INSURER AND THE INSURER SHALL MAINTAIN IN EFFECT THE SAME

1 COVERAGE AND PREMIUM THAT WERE IN EFFECT ON THE DAY THE NOTICE OF
2 PROPOSED ACTION WAS SENT TO THE FIRST NAMED INSURED UNTIL A
3 DETERMINATION IS MADE BY THE COMMISSIONER UNDER SUBSECTION (G) OF THIS
4 SECTION, SUBJECT TO THE PAYMENT OF THAT PORTION OF THE PREMIUM THAT IS
5 NOT UNDER PROTEST AND THAT IS DUE OR BECOMES DUE BEFORE THE
6 DETERMINATION.

7 (4) FOR AN INCREASE IN PREMIUM EQUAL TO OR LESS THAN 15% FOR
8 THE ENTIRE POLICY, A PROTEST FILED WITH THE COMMISSIONER DOES NOT STAY
9 THE PROPOSED ACTION OF THE INSURER AND THE FIRST NAMED INSURED MUST
10 PAY ANY AUTHORIZED PREMIUM THAT IS DUE OR BECOMES DUE BEFORE THE
11 DETERMINATION.

12 (G) (1) BASED ON THE INFORMATION CONTAINED IN THE NOTICE OF
13 PROPOSED ACTION GIVEN UNDER SUBSECTION (C) OF THIS SECTION, THE
14 COMMISSIONER SHALL:

15 (I) DETERMINE WHETHER THE PROTEST BY THE NAMED INSURED
16 HAS MERIT; AND

17 (II) ISSUE A DETERMINATION EITHER:

18 1. UPHOLDING THE PROTEST AND DISALLOWING THE
19 PROPOSED ACTION; OR

20 2. DISMISSING THE PROTEST AND ALLOWING THE
21 PROPOSED ACTION.

22 (2) (I) THE COMMISSIONER MAY NOT DISALLOW A PROPOSED ACTION
23 OF AN INSURER BECAUSE THE STATEMENT OF ACTUAL REASON IN THE NOTICE
24 CONTAINS:

25 1. GRAMMATICAL ERRORS, TYPOGRAPHICAL ERRORS, OR
26 OTHER ERRORS, PROVIDED THAT THE ERRORS ARE NONMATERIAL AND NOT
27 MISLEADING; OR

28 2. SURPLUS INFORMATION, PROVIDED THAT THE SURPLUS
29 INFORMATION IS NONMATERIAL AND NOT MISLEADING.

30 (II) IF THE COMMISSIONER FINDS THE PROPOSED ACTION OF THE
31 INSURER TO BE IN ACCORDANCE WITH THE INSURER'S FILED RATING PLAN, THE
32 COMMISSIONER SHALL:

33 1. DISMISS THE PROTEST; AND

34 2. ALLOW THE PROPOSED ACTION TO BE TAKEN ON THE
35 LATER OF:

36 A. ITS PROPOSED EFFECTIVE DATE; OR

1 B. 30 DAYS AFTER THE DATE OF THE DETERMINATION.

2 (III) IF THE COMMISSIONER FINDS THAT THE ACTUAL REASON FOR
3 THE PROVIDED ACTION IS NOT STATED IN THE NOTICE OR FINDS THE PROPOSED
4 ACTION NOT TO BE IN ACCORDANCE WITH THE INSURER'S FILED RATING PLAN, THE
5 COMMISSIONER SHALL:

6 1. UPHOLD THE PROTEST AND DISALLOW THE ACTION; AND

7 2. FOR A PREMIUM INCREASE OF 15% OR LESS FOR THE
8 ENTIRE POLICY, ORDER THE INSURER, WITHIN 30 DAYS OF THE DETERMINATION TO:

9 A. RETURN TO THE INSURED ALL DISALLOWED PREMIUM
10 RECEIVED FROM THE INSURED; AND

11 B. PAY TO THE INSURED INTEREST ON THE DISALLOWED
12 PREMIUM RECEIVED FROM THE INSURED CALCULATED AT 10% A YEAR FROM THE
13 DATE THE DISALLOWED PREMIUM WAS RECEIVED TO THE DATE THE DISALLOWED
14 PREMIUM WAS RETURNED.

15 (IV) IF AN INSURER FAILS TO RETURN ANY DISALLOWED PREMIUM
16 OR FAILS TO PAY INTEREST TO AN INSURED IN VIOLATION OF SUBPARAGRAPH (III)2
17 OF THIS PARAGRAPH, THE INSURER IS IN VIOLATION OF THIS ARTICLE AND SUBJECT
18 TO THE PENALTIES UNDER § 4-113(D) OF THIS ARTICLE.

19 (3) THE COMMISSIONER SHALL NOTIFY THE INSURER AND THE
20 INSURED OF THE DETERMINATION PROMPTLY IN WRITING.

21 (4) A DETERMINATION ISSUED UNDER THIS SUBSECTION IS EFFECTIVE
22 30 DAYS AFTER THE DATE OF THE DETERMINATION.

23 (H) (1) (I) FOR A DETERMINATION INVOLVING A PREMIUM INCREASE OF
24 15% OR LESS FOR THE ENTIRE POLICY, THE DETERMINATION OF THE COMMISSIONER
25 IS FINAL AND NO ADMINISTRATIVE HEARING IS AVAILABLE.

26 (II) A PARTY AGGRIEVED BY THE DETERMINATION MAY SEEK
27 JUDICIAL REVIEW IN ACCORDANCE WITH § 2-215 OF THIS ARTICLE.

28 (2) (I) FOR A DETERMINATION INVOLVING A PREMIUM INCREASE
29 GREATER THAN 15% FOR THE ENTIRE POLICY, A PARTY AGGRIEVED BY THE
30 DETERMINATION MAY REQUEST A HEARING IN ACCORDANCE WITH § 2-210 OF THIS
31 ARTICLE.

32 (II) ~~THE COMMISSIONER SHALL HAVE THE SOLE DISCRETION TO~~
33 ~~ORDER THE INSURER TO PAY REASONABLE ATTORNEY'S FEES INCURRED BY THE~~
34 ~~INSURED FOR REPRESENTATION AT THE HEARING IF THE COMMISSIONER~~
35 ~~CONSIDERS THE FEES APPROPRIATE~~ THE COMMISSIONER SHALL ORDER THE
36 INSURER TO PAY REASONABLE ATTORNEY FEES INCURRED BY THE NAMED INSURED
37 FOR REPRESENTATION AT THE HEARING, AS THE COMMISSIONER CONSIDERS
38 APPROPRIATE, IF THE COMMISSIONER:

1 1. UPHOLDS THE PROTEST AND DISALLOWS THE ACTION
2 UNDER SUBSECTION (G)(2)(III)1 OF THIS SECTION; AND

3 2. FINDS THAT:

4 A. THE INSURER'S CONDUCT IN MAINTAINING OR
5 DEFENDING THE PROCEEDING WAS IN BAD FAITH; OR

6 B. THE INSURER ACTED WILLFULLY IN THE ABSENCE OF A
7 BONA FIDE DISPUTE.

8 (III) FOLLOWING THE ISSUANCE OF AN ORDER FROM AN
9 ADMINISTRATIVE HEARING, AN AGGRIEVED PARTY MAY SEEK JUDICIAL REVIEW IN
10 ACCORDANCE WITH § 2-215 OF THIS ARTICLE.

11 (I) THE COMMISSIONER MAY DELEGATE THE POWERS AND DUTIES OF THE
12 COMMISSIONER UNDER THIS SECTION TO ONE OR MORE EMPLOYEES OR HEARING
13 OFFICERS.

14 (J) THE COMMISSIONER MAY ADOPT REGULATIONS:

15 (1) THAT EXCLUDE FROM THE REQUIREMENTS OF THIS SECTION
16 CERTAIN TYPES OF PREMIUM INCREASES, EXCEPT FOR PREMIUM INCREASES DUE
17 TO:

18 (I) AN ACCIDENT;

19 (II) A VIOLATION OF THE MARYLAND MOTOR VEHICLE LAW OR THE
20 MOTOR VEHICLE LAW OF ANOTHER STATE;

21 (III) THE CLAIMS HISTORY OF THE INSURED;

22 (IV) A RECLASSIFICATION OF THE INSURED; OR

23 (V) A SURCHARGE; AND

24 (2) TO CARRY OUT THIS SECTION.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2005.