

# **Maryland Insurance Administration**

## **2009 Report on the Use of Territory As a Rating Factor in Establishing Private Passenger Automobile Insurance Rates**



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**Maryland Insurance Administration**

**2009 Report on the Use of Territory as a Rating Factor in Establishing  
Private Passenger Automobile Insurance Rates**

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## **Preface**

**Section 11-339 of the Insurance Article (Chapter 410, Laws of Maryland 2006) requires the Insurance Commissioner to submit a report to the General Assembly on or before July 1 of each year about the use of territory as a factor in establishing rates for private passenger automobile insurance by insurers and the Maryland Automobile Insurance Fund (“MAIF”).**

**For the purposes of this report, the MIA uses the NAIC definition of private passenger vehicle for premium purposes as there is no other source available. The NAIC definition includes not only regular automobiles (as defined by Maryland motor vehicle statutes and regulations), but also includes recreational vehicles (“RVs” a.k.a. motor homes), trailers (both travel and utility), motorcycles, scooters, all terrain vehicles (“ATVs”), antique and collector cars. Certain types of mobile homes, warranties and mechanical breakdown coverages may also be included. These types of vehicles will be described as specialty vehicles or coverages.**

**In addition, for the purposes of this report, private passenger automobile insurance will refer to regular automobile insurance as defined by statute; specifically, Section 11-135 of the Transportation Article.**

**This report contains information on (1) the number of insurers actively engaged in providing private passenger automobile liability insurance in the State; and (2) the number of those insurers that use territory as a factor in establishing automobile insurance rates.**

## **Private Passenger Automobile Market Overview**

**For calendar year 2008, one hundred sixty seven (167) insurers reported that they had direct premiums written for the private passenger lines of**

**business. Those lines of business are: 19.1 – Private passenger auto no-fault (personal injury protection); 19.2 – Other private passenger auto liability; and 21.1 – Private passenger auto physical damage. The premiums shown in Exhibit 2 also include specialty vehicles. For this report, 10 carriers are not included in this report (See Exhibit 1, Page 1) as they have no written premium and are not writing new business.**

**With regard to regular automobile liability insurance, all carriers use territories for rating purposes. From a premium perspective, this represents approximately 99% of all private passenger automobile premiums in Maryland. For the remaining premium, territories are almost always used for RV's, motorcycles, and scooters. However, for coverages like antique and collector vehicles, ATV's and trailers (travel and utility), the use of territories depends on the particular insurer and type of product/program that it is offering.**

**As shown in Exhibit 1, 136 carriers representing 99.8% of the Maryland market write regular automobile liability insurance and all of these carriers use territory as a rating factor. This is not to say that the remaining carriers do not use territorial rating for specialty coverages; rather, the use of territory as a rating factor for that small segment will depend upon the product the insurer is offering.**

### **Maryland Regulation COMAR 31.07.03**

**Chapter 410, Laws of Maryland 206 (HB 1600), also resulted in the enactment of §11-216 and 11-319 of the Insurance Article, which requires any insurer using territories as a factor in establishing automobile insurance rates to submit a statement to the Insurance Commissioner certifying that (1) the territories used by the insurer have been reviewed within the previous three years and (2) the use of the territories is actuarially justified.**

**To ensure compliance with §11-216 and §11-319, the Insurance Commissioner adopted regulations in order to provide guidance to**

**insurers. Those regulations<sup>1</sup>, in addition to providing guidance, contain a Certification Statement for use by MAIF, private insurance companies and rating organizations to certify that their territories have been reviewed in the past three years and that they are actuarially justified. The Maryland Insurance Administration (“MIA”) is tracking the submission of these Certifications for initial compliance with the regulation. After initial compliance has been verified, the MIA will be able to use this tracking database to monitor whether the Certifications are being re-filed<sup>2</sup> as required by law.**

## **Summary**

**Calendar year 2009 mirrored the experience of calendar year 2008, with almost every insurer that writes regular automobile liability insurance in Maryland utilizing territory as a rating factor. Additionally, the Maryland Insurance Administration has not received any indication from insurers, MAIF, or any rating organization that the use of territory as a rating factor will be discontinued anytime in the near future.**

**In addition, please refer to the Maryland Insurance Administration rate guides for Private Passenger Automobiles, RV’s and ATV’s, and Motorcycles. These guides will show how territorial rating is being applied with actual scenarios by certain zip codes.**

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<sup>1</sup> COMAR 31.07.03, Review of Automobile Rating Territories. See Exhibit 2.

<sup>2</sup> The regulation requires re-filing of the Certification at least once every three years or whenever rate filings are submitted that modify any of the territorial rating factors.

## **Exhibits**

- ❖ **Exhibit 1: 2008 Summary Exhibit showing Market Share for those insurers that write regular automobile insurance**
- ❖ **Exhibit 2: 2008 Listing of Private Passenger Automobile Insurers Showing Market Share and Use of Territory as a Rating Factor**
- ❖ **Exhibit 3: COMAR 31.07.03 Review of Automobile Rating Territories**
- ❖ **Exhibit 4: Territorial Rate Comparison for Private Passenger Auto**
- ❖ **Exhibit 5: Territorial Rate Comparison for Motorcycles and Scooters**
- ❖ **Exhibit 6: Territorial Rate Comparison for Motorized Recreational Vehicles (RV's)**

2008

**Market**

<u>Type of Insurer</u>	<u>Number of</u>	<u>Share</u>
Regular Auto Insurance*	136	99.80%
No Regular Auto Insurance**	21	0.20%
All Other***	10	0.00%
TOTAL	167	100.00%

\*For Regular Auto Insurers, these carriers also write some specialty coverages, like motorcycles, RV, antique autos, etc.....

\*\*No Regular Auto Insurance Insurers include companies that write only specialty coverages.

\*\*\* Includes companies with negative premium (8), OR those where the premium deals with various accounting issues (2).



Exhibit 2

Rank	Group Code	NAIC Cocode	Company Name	2008 Total PPA Prem	2008 Market Share	Cumulative Share	Writes		Uses Territories
							Regular	Auto	
1	176	25178	STATE FARM MUT AUTO INS CO	633,611,956	17.39%	17.39%	Y	Y	Y
2	31	35882	GEICO GEN INS CO	310,400,541	8.52%	25.91%	Y	Y	Y
3	8	19232	ALLSTATE INS CO	275,944,841	7.57%	33.48%	Y	Y	Y
4	31	22063	GOVERNMENT EMPLOYEES INS CO	262,249,551	7.20%	40.68%	Y	Y	Y
5	213	26271	ERIE INS EXCH	220,705,473	6.06%	46.73%	Y	Y	Y
6	140	23787	NATIONWIDE MUT INS CO	200,114,760	5.49%	52.22%	Y	Y	Y
7	8	17230	ALLSTATE PROP & CAS INS CO	125,996,965	3.46%	55.68%	Y	Y	Y
8	200	25941	USAA	112,838,645	3.10%	58.78%	Y	Y	Y
9	0	34800	MAIF	103,855,069	2.85%	61.63%	Y	Y	Y
10	31	22055	GEICO IND CO	91,302,255	2.51%	64.13%	Y	Y	Y
11	176	25143	STATE FARM FIRE AND CAS CO	81,369,854	2.23%	66.37%	Y	Y	Y
12	140	23760	NATIONWIDE GEN INS CO	81,132,207	2.23%	68.59%	Y	Y	Y
13	111	23035	LIBERTY MUT FIRE INS CO	78,662,331	2.16%	70.75%	Y	Y	Y
14	200	25968	USAA CAS INS CO	72,469,855	1.99%	72.74%	Y	Y	Y
15	155	11851	PROGRESSIVE ADVANCED INS CO	62,518,280	1.72%	74.46%	Y	Y	Y
16	155	24252	PROGRESSIVE AMERICAN INS CO	53,943,435	1.48%	75.94%	Y	Y	Y
17	140	23779	NATIONWIDE MUT FIRE INS CO	53,816,680	1.48%	77.41%	Y	Y	Y
18	155	16322	PROGRESSIVE DIRECT INS CO	51,434,593	1.41%	78.83%	Y	Y	Y
19	31	41491	GEICO CAS CO	41,412,960	1.14%	79.96%	Y	Y	Y
20	3548	27998	TRAVELERS HOME & MARINE INS CO	39,094,531	1.07%	81.03%	Y	Y	Y
21	155	42994	PROGRESSIVE CLASSIC INS CO	34,774,852	0.95%	81.99%	Y	Y	Y
22	8	15130	ENCOMPASS IND CO	26,047,674	0.71%	82.70%	Y	Y	Y
23	8	19240	ALLSTATE IND CO	25,554,840	0.70%	83.41%	Y	Y	Y
24	8	10071	ENCOMPASS INS CO OF AMER	25,039,175	0.69%	84.09%	Y	Y	Y
25	111	24740	SAFECO INS CO OF AMER	23,248,546	0.64%	84.73%	Y	Y	Y
26	8	11252	ENCOMPASS HOME & AUTO INS CO	21,969,060	0.60%	85.33%	Y	Y	Y
27	175	25127	STATE AUTO PROP & CAS INS CO	21,450,519	0.59%	85.92%	Y	Y	Y
28	0	35173	AGENCY INS CO OF MD INC	17,160,769	0.47%	86.39%	Y	Y	Y
29	1129	25712	ESURANCE INS CO	16,056,994	0.44%	86.83%	Y	Y	Y
30	0	13501	BRETHREN MUT INS CO	15,474,643	0.42%	87.26%	Y	Y	Y
31	3548	25658	TRAVELERS IND CO	14,364,320	0.39%	87.65%	Y	Y	Y

Rank	Group Code	NAIC Cocode	Company Name	2008 Total PPA Prem	2008 Market Share	Cumulative market Share	Writes		Uses Territories
							Regular Auto	Regular	
32	28	19976	AMICA MUT INS CO	13,783,331	0.38%	88.03%	Y	Y	Y
33	91	34690	PROPERTY & CAS INS CO OF HARTFORD	13,704,688	0.38%	88.41%	Y	Y	Y
34	111	14613	MONTGOMERY MUT INS CO	13,111,218	0.36%	88.77%	Y	Y	Y
35	771	11681	KEYSTONE INS CO	12,846,889	0.35%	89.12%	Y	Y	Y
36	140	13242	TITAN IND CO	12,440,896	0.34%	89.46%	Y	Y	Y
37	250	14958	PENINSULA INS CO	12,078,227	0.33%	89.79%	Y	Y	Y
38	140	25453	NATIONWIDE INS CO OF AMER	11,805,268	0.32%	90.12%	Y	Y	Y
39	215	16063	UNITRIN AUTO & HOME INS CO	11,232,590	0.31%	90.42%	Y	Y	Y
40	4	29068	IDS PROP CAS INS CO	11,103,273	0.30%	90.73%	Y	Y	Y
41	91	30104	HARTFORD UNDERWRITERS INS CO	11,097,766	0.30%	91.03%	Y	Y	Y
42	241	34339	METROPOLITAN GRP PROP & CAS INS CO	10,652,748	0.29%	91.33%	Y	Y	Y
43	155	32786	PROGRESSIVE SPECIALTY INS CO	10,537,305	0.29%	91.61%	Y	Y	Y
44	111	39012	SAFECO INS CO OF IL	10,419,696	0.29%	91.90%	Y	Y	Y
45	212	10806	FARMERS NEW CENTURY INS CO	10,303,187	0.28%	92.18%	Y	Y	Y
46	91	11000	SENTINEL INS CO LTD	10,203,865	0.28%	92.46%	Y	Y	Y
47	215	10226	UNITRIN DIRECT INS CO	9,935,978	0.27%	92.74%	Y	Y	Y
48	12	32220	AMERICAN INTL INS CO	9,663,254	0.27%	93.00%	Y	Y	Y
49	200	18600	USAA GENERAL IND CO	8,773,704	0.24%	93.24%	Y	Y	Y
50	111	24074	OHIO CAS INS CO	8,690,718	0.24%	93.48%	Y	Y	Y
51	215	10914	KEMPER INDEPENDENCE INS CO	8,602,850	0.24%	93.72%	Y	Y	Y
52	640	14664	MUTUAL BENEFIT INS CO	8,350,411	0.23%	93.95%	Y	Y	Y
53	271	14990	PENNSYLVANIA NATL MUT CAS INS CO	8,344,172	0.23%	94.17%	Y	Y	Y
54	3548	36137	TRAVELERS COMMERCIAL INS CO	8,238,620	0.23%	94.40%	Y	Y	Y
55	0	16128	PARAMOUNT INS CO	7,436,489	0.20%	94.61%	Y	Y	Y
56	761	21873	FIREMANS FUND INS CO	7,201,386	0.20%	94.80%	Y	Y	Y
57	111	33588	FIRST LIBERTY INS CORP	7,126,100	0.20%	95.00%	Y	Y	Y
58	213	26263	ERIE INS CO	7,068,845	0.19%	95.19%	Y	Y	Y
59	175	25135	STATE AUTOMOBILE MUT INS CO	6,832,176	0.19%	95.38%	Y	Y	Y
60	0	33545	SEMINOLE CAS INS CO	6,831,580	0.19%	95.57%	Y	Y	Y
61	212	21709	TRUCK INS EXCH	6,549,386	0.18%	95.75%	Y	Y	Y
62	91	27120	TRUMBULL INS CO	6,502,509	0.18%	95.93%	Y	Y	Y

Exhibit 2

Rank	Group Code	NAIC Cocode	Company Name	2008 Total PPA Prem	2008 Market Share	Cumulative Share	Writes Regular Auto	Uses Territories
63	3548	19070	STANDARD FIRE INS CO	6,296,749	0.17%	96.10%	Y	Y
64	33	20117	CALIFORNIA CAS IND EXCH	6,193,211	0.17%	96.27%	Y	Y
65	3548	25666	TRAVELERS IND CO OF AMER	6,186,974	0.17%	96.44%	Y	Y
66	0	40720	INTERSTATE AUTO INS CO INC	6,038,088	0.17%	96.60%	Y	Y
67	241	25321	METROPOLITAN DRT PROP & CAS INS CO	5,982,796	0.16%	96.77%	Y	Y
68	250	13692	DONEGAL MUT INS CO	5,703,862	0.16%	96.92%	Y	Y
69	38	20303	GREAT NORTHERN INS CO	5,622,760	0.15%	97.08%	Y	Y
70	140	37877	NATIONWIDE PROP & CAS INS CO	5,415,951	0.15%	97.23%	Y	Y
71	242	39926	SELECTIVE INS CO OF THE SOUTHEAST	5,378,724	0.15%	97.37%	Y	Y
72	79	42447	NATIONAL GEN ASSUR CO	5,373,216	0.15%	97.52%	Y	Y
73	242	19259	SELECTIVE INS CO OF SC	5,151,776	0.14%	97.66%	Y	Y
74	12	19399	AIU INS CO	4,494,648	0.12%	97.79%	Y	Y
75	200	21253	GARRISON PROP & CAS INS CO	4,404,019	0.12%	97.91%	Y	Y
76	241	40169	METROPOLITAN CAS INS CO	3,639,152	0.10%	98.01%	Y	Y
77	111	42404	LIBERTY INS CORP	3,544,042	0.10%	98.11%	Y	Y
78	253	14168	HARLEYSVILLE MUT INS CO	3,239,572	0.09%	98.19%	Y	Y
79	111	44393	WEST AMERICAN INS CO	3,151,903	0.09%	98.28%	Y	Y
80	12	36587	AIG NATL INS CO INC	3,065,999	0.08%	98.36%	Y	Y
81	212	11185	FOREMOST INS CO	2,690,804	0.07%	98.44%	Specialty	Y
82	155	24260	PROGRESSIVE CAS INS CO	2,668,208	0.07%	98.51%	Y	Y
83	175	19530	STATE AUTO NATL INS CO	2,618,108	0.07%	98.58%	Y	Y
84	91	19682	HARTFORD FIRE IN CO	2,390,202	0.07%	98.65%	Y	Y
85	408	29963	UNITED FARM FAMILY INS CO	2,237,345	0.06%	98.71%	Y	Y
86	771	10675	AAA MID ATLANTIC INS CO	2,235,038	0.06%	98.77%	Y	Y
87	57	21261	ELECTRIC INS CO	2,082,794	0.06%	98.83%	Y	Y
88	1234	26085	WARNER INS CO	2,076,663	0.06%	98.89%	Y	Y
89	169	21164	DAIRYLAND INS CO	2,073,856	0.06%	98.94%	Y	Y
90	250	22586	ATLANTIC STATES INS CO	1,988,211	0.05%	99.00%	Y	Y
91	300	22683	TEACHERS INS CO	1,810,279	0.05%	99.05%	Y	Y
92	12	19402	AIG CAS CO	1,789,390	0.05%	99.10%	Y	Y
93	38	20281	FEDERAL INS CO	1,778,567	0.05%	99.15%	Y	Y

Rank	Group Code	NAIC Cocode	Company Name	2008 Total PPA Prem	2008 Market Share	Cumulative market Share	Writes Regular Auto	Uses Territories
94	311	14788	NGM INS CO	1,720,987	0.05%	99.19%	Y	Y
95	250	39900	PENINSULA IND CO	1,581,517	0.04%	99.24%	Y	Y
96	1330	24813	BALBOA INS CO	1,568,993	0.04%	99.28%	Y	Y
97	3548	28188	TRAVCO INS CO	1,364,112	0.04%	99.32%	Y	Y
98	241	40649	ECONOMY PREMIER ASSUR CO	1,352,315	0.04%	99.35%	Y	Y
99	300	22578	HORACE MANN INS CO	1,289,588	0.04%	99.39%	Y	Y
100	3678	13455	BANKERS INDEPENDENT INS CO	1,268,155	0.03%	99.42%	Y	Y
101	300	22756	HORACE MANN PROP & CAS INS CO	1,214,619	0.03%	99.46%	Y	Y
102	761	21849	AMERICAN AUTOMOBILE INS CO	1,209,184	0.03%	99.49%	Y	Y
103	140	10723	NATIONWIDE ASSUR CO	1,127,863	0.03%	99.52%	Y	Y
104	155	38628	PROGRESSIVE NORTHERN INS CO	1,115,674	0.03%	99.55%	Y	Y
105	677	18058	PHILADELPHIA IND INS CO	1,058,358	0.03%	99.58%	Y	Y
106	311	29939	MAIN ST AMER ASSUR CO	950,067	0.03%	99.61%	Y	Y
107	111	37214	AMERICAN STATES PREFERRED INS CO	948,950	0.03%	99.63%	Y	Y
108	38	20397	VIGILANT INS CO	805,825	0.02%	99.65%	Y	Y
109	241	26298	METROPOLITAN PROP & CAS INS CO	799,190	0.02%	99.68%	Y	Y
110	19	10111	AMERICAN BANKERS INS CO OF FL	764,016	0.02%	99.70%	Y	Y
111	1234	43044	RESPONSE INS CO	721,337	0.02%	99.72%	Y	Y
112	361	23469	AMERICAN MODERN HOME INS CO	706,242	0.02%	99.74%	Specialty	
113	12	23795	AMERICAN INTL PACIFIC INS	696,126	0.02%	99.76%	Y	
114	3495	22268	INFINITY INS CO	598,030	0.02%	99.77%	Specialty	
115	38	20346	PACIFIC IND CO	597,338	0.02%	99.79%	Y	
116	215	31968	MERASTAR INS CO	550,189	0.02%	99.80%	Y	Y
117	54	10448	CUMBERLAND INS CO INC	530,143	0.01%	99.82%	Y	Y
118	4254	40827	VIRGINIA SURETY CO INC	506,377	0.01%	99.83%	Specialty	
119	0	44229	TRUSTSTAR INS CO	486,544	0.01%	99.85%	Specialty	
120	311	40231	OLD DOMINION INS CO	465,294	0.01%	99.86%	Y	Y
121	12	20796	AIG PREMIER INS CO	451,870	0.01%	99.87%	Y	Y
122	361	23450	AMERICAN FAMILY HOME INS CO	435,895	0.01%	99.88%	Specialty	
123	91	22357	HARTFORD ACCIDENT & IND CO	371,378	0.01%	99.89%	Y	Y
124	1129	37915	ESSENTIA INS CO	361,928	0.01%	99.90%	Specialty	

Exhibit 2

Rank	Group Code	NAIC Cocode	Company Name	2008 Total PPA Prem	2008 Market Share	Cumulative market Share	Writes Regular Auto	Uses Territories
125	111	24724	FIRST NATL INS CO OF AMER	331,296	0.01%	99.91%	Y	Y
126	626	18279	BANKERS STANDARD INS CO	310,053	0.01%	99.92%	Specialty	
127	88	22292	HANOVER INS CO	307,316	0.01%	99.93%	Y	Y
128	0	41459	ARMED FORCES INS EXCH	291,609	0.01%	99.94%	Y	Y
129	785	28932	MARKEL AMER INS CO	266,692	0.01%	99.94%	Specialty	
130	215	10915	UNITRIN DIRECT PROPERTY & CAS CO	237,081	0.01%	99.95%	Y	Y
131	140	42889	VICTORIA FIRE & CAS CO	232,246	0.01%	99.96%	Y	Y
132	0	27502	WESTERN GENERAL INS CO	214,312	0.01%	99.96%	Specialty	
133	1330	24821	MERITPLAN INS CO	175,001	0.00%	99.97%	Y	Y
134	19	42978	AMERICAN SECURITY INS CO	129,190	0.00%	99.97%	Specialty	
135	79	23728	NATIONAL GEN INS CO	112,660	0.00%	99.97%	Y	Y
136	17	10051	LYNDON SOUTHERN INS CO	110,278	0.00%	99.98%	Specialty	
137	3098	12904	TOKIO MARINE & NICHIDO FIRE INS CO	108,301	0.00%	99.98%	Y	Y
138	12	26220	YOSEMITE INS CO	103,068	0.00%	99.98%	Specialty	
139	12	43974	AIG IND INS CO	95,265	0.00%	99.99%	Y	Y
140	212	11800	FOREMOST PROP & CAS INS CO	82,650	0.00%	99.99%	Specialty	
141	244	10677	CINCINNATI INS CO	66,735	0.00%	99.99%	Y	Y
142	12	34789	AIG CENTENNIAL INS CO	56,781	0.00%	99.99%	Y	Y
143	212	43699	AMERICAN FEDERATION INS CO	56,378	0.00%	99.99%	Specialty	
144	19	19615	AMERICAN RELIABLE INS CO	51,122	0.00%	99.99%	Specialty	
145	0	31240	COMMONWEALTH MUT INS CO OF AMER	43,471	0.00%	100.00%	Specialty	
146	169	24988	SENTRY INS A MUT CO	37,083	0.00%	100.00%	Y	Y
147	140	19100	AMCO INS CO	36,065	0.00%	100.00%	Y	Y
148	84	32620	NATIONAL INTERSTATE INS CO	25,903	0.00%	100.00%	Specialty	
149	775	13714	PHARMACISTS MUT INS CO	23,690	0.00%	100.00%	Y	Y
150	8	37907	DEERBROOK INS CO	12,139	0.00%	100.00%	Y	Y
151	2898	37850	PACIFIC SPECIALTY INS CO	7,489	0.00%	100.00%	Specialty	
152	140	42587	DEPOSITORS INS CO	5,120	0.00%	100.00%	Y	Y
153	313	33898	AEGIS SECURITY INS CO	4,442	0.00%	100.00%	Specialty	
154	91	29459	TWIN CITY FIRE INS CO CO	4,080	0.00%	100.00%	Y	Y
155	140	42579	ALLIED PROP & CAS INS CO	3,385	0.00%	100.00%	Y	Y

Exhibit 2

Rank	Group Code	NAIC Code	Company Name	2008 Total PPA Prem	2008 Market Share	Cumulative Share	Writes Regular Auto	Uses Territories
156	212	19356	MARYLAND CAS CO	2,252	0.00%	100.00%	n/a	n/a
157	84	26344	GREAT AMER ASSUR CO	2,234	0.00%	100.00%	Specialty	
158	111	19704	AMERICAN STATES INS CO	937	0.00%	100.00%	Y	Y
159	212	39306	FIDELITY & DEPOSIT CO OF MD	471	0.00%	100.00%	n/a	n/a
160	1129	20648	EMPLOYERS FIRE INS CO	-78	n/a	n/a	n/a	n/a
161	1129	21970	ONEBEACON INS CO	-115	n/a	n/a	n/a	n/a
162	361	41998	AMERICAN SOUTHERN HOME INS CO	-245	n/a	n/a	n/a	n/a
163	1129	21962	PENNSYLVANIA GEN INS CO	-612	n/a	n/a	n/a	n/a
164	24	19895	ATLANTIC MUT INS CO	-706	n/a	n/a	n/a	n/a
165	24	19909	CENTENNIAL INS CO	-984	n/a	n/a	n/a	n/a
166	458	35769	LYNDON PROP INS CO	-1,266	n/a	n/a	n/a	n/a
167	3678	39098	OMNI INS CO	-7,646	n/a	n/a	n/a	n/a

Industry Totals 3,643,961,453

31.07.03.00

# **Title 31 MARYLAND INSURANCE ADMINISTRATION**

## **Subtitle 07 INSURANCE RATING LAW**

### **Chapter 03 Review of Automobile Rating Territories**

**Authority: Insurance Article, §§2-109, 11-216, 11-319, and 11-339, Annotated Code of Maryland**

31.07.03.01

**.01 Purpose.**

The purpose of this chapter is to ensure that all insurers that use territory as a factor in establishing automobile insurance rates in the State, including the Maryland Automobile Insurance Fund, file statements with the Commissioner that satisfy the requirements of Insurance Article, §§11-216 and 11-319, Annotated Code of Maryland.



31.07.03.02

**.02 Triannual Review of Territories.**

Each insurer that uses territory as a factor in establishing automobile insurance rates in the State, including the Maryland Automobile Insurance Fund, shall conduct a review of its territories every 3 years.

31.07.03.03

**.03 Filing Requirements.**

A. Each insurer that uses territory as a factor in establishing automobile insurance rates in the State, including the Maryland Automobile Insurance Fund, shall file with the Commissioner a certification statement.

B. The certification statement shall be on the form adopted by the Commissioner in Regulation .04 of this chapter.

C. The certification statement shall be filed:

(1) On or before June 1, 2007;

(2) Upon completion of each review required by the Commissioner pursuant to Regulation .02 of this chapter; and

(3) Contemporaneously with each rate filing that indicates a modification of territorial rating factors.

31.07.03.04

**.04 Certification Statement for Automobile Insurers.**

A. Certification Statement for Insurers and Rating Organizations.

CERTIFICATION STATEMENT  
REVIEW OF AUTOMOBILE RATING TERRITORIES

I, \_\_\_\_\_, a duly authorized representative of \_\_\_\_\_ (insurer or rating organization), NAIC # \_\_\_\_\_ (if applicable), do hereby certify that the following information is true to the best of my knowledge and belief.

1. The use of territories as a factor in rating by the above-named (insurer or rating organization) has been reviewed within the previous 3 years; and

2. Use of the territories on file, or as set forth in this filing, are actuarially justified. I understand that the Maryland Insurance Administration will rely on this certification, and if it is determined that this certification is materially false or incorrect, the insurer may be subject to administrative action, including appropriate penalties.

\_\_\_\_\_  
Date Signature of Authorized Representative

Name of Authorized Representative:  
\_\_\_\_\_

Title: \_\_\_\_\_

Address of Insurer: \_\_\_\_\_

Mail certification statement to: P & C Rate and Form Unit, Maryland Insurance Administration, 200 St. Paul Place, Baltimore, MD 21202.

B. Certification Statement for Insurers Adopting the Certification Statement of a Rating Organization.

CERTIFICATION STATEMENT  
REVIEW OF AUTOMOBILE RATING TERRITORIES

I, \_\_\_\_\_, a duly authorized representative of \_\_\_\_\_ (insurer), NAIC # \_\_\_\_\_, do hereby certify that the following information is true to the best of my knowledge and belief.

1. #032; \_\_\_\_\_ (insurer) is a member of or subscriber to \_\_\_\_\_ (rating organization), a licensed rating organization, and has authorized the Commissioner to accept filings from \_\_\_\_\_ (rating organization) on its behalf or has filed to adopt \_\_\_\_\_ (rating organization's) filings.

2. #032; \_\_\_\_\_ (insurer) has filed no deviations relating to territory from the automobile rate filings submitted by \_\_\_\_\_ (rating organization).

3. #032; \_\_\_\_\_ (rating organization) has filed with the Commissioner the certification statement required by Insurance Article, §11-216 or 11-319, Annotated Code of Maryland, and COMAR 31.07.03.03.

4. #032; \_\_\_\_\_ (insurer) hereby adopts the statements made in the certification statement.

I understand that the Maryland Insurance Administration will rely on this certification, and if it is determined that this certification is materially false or incorrect, the insurer may be subject to administrative action, including appropriate

penalties.

\_\_\_\_\_  
Date Signature of Authorized Representative

Name of Authorized Representative:  
\_\_\_\_\_

Title: \_\_\_\_\_

Address of Insurer: \_\_\_\_\_

Mail certification statement to: P&C Rate and Form Unit, Maryland Insurance Administration, 200 St. Paul Place, Baltimore, MD 21202.

31.07.03.05

**.05 Filings Made By Rating Organizations.**

A. A licensed rating organization that files on behalf of its members or subscribers automobile insurance rates that use territory as a factor in establishing automobile insurance rates in the State shall comply with the provisions of Regulations .02—.04 of this chapter.

B. An insurer that is required to file a certification statement may utilize the certification statement in Regulation .04B of this chapter if:

(1) The insurer is a member or subscriber of a licensed rating organization which has been authorized to make filings on the insurer's behalf or the insurer has filed to adopt the rating organization's filing; and

(2) The insurer has not filed with the Commissioner a deviation from the rates, loss costs, or both, filed by the rating organization relating to the use of territories.

31.07.03.9999

**Administrative History**

**Effective date: January 15, 2007 (34:1 Md. R. 33)**