

The Maryland Automobile Insurance Fund and the Private Insurance Market

Maryland Insurance



Administration

January 2004

Section I

Topics discussed in this section:

- **Who created MAIF and why was it created?**
- **Was MAIF created to compete with private insurance companies?**
- **Does MAIF have any other statutory responsibilities?**
- **Who can sell MAIF insurance policies?**
- **How are MAIF's producers' commissions determined?**
- **What types of insurance coverage is MAIF authorized to sell?**
- **What are the eligibility requirements for MAIF?**
- **Is MAIF required to de-populate?**
- **Who oversees MAIF's operations?**
- **Who is responsible for monitoring MAIF's financial condition?**
- **How are MAIF's rates determined?**
- **What about policyholders who can not afford high insurance premiums?**
- **What is the typical premium For A MAIF policy?**
- **Does MAIF offer installment payment plans?**
- **How do MAIF premiums compare with premiums of private insurers?**
- **Has MAIF ever had to impose an assessment on its member insurers?**
- **Where do the majority of MAIF policyholders reside?**

The Impact of Premium Rates on Policies Issued by the Maryland Automobile Insurance Fund on the Private Insurance Market

Preface

The General Assembly enacted HB 521/Chapter 58 legislation during the 2002 legislative session. HB 521 required the Maryland Insurance Administration to study the impact of premium rates on policies issued by the Maryland Automobile Insurance Fund (hereafter “MAIF”) on the private insurance market. The response to that mandate is contained within this report.

In 1972, the General Assembly, by way of House Bill 444, created MAIF in response to the State’s need for a mechanism by which insurance would be available for all Maryland citizens in order to comply with the State’s new compulsory insurance law. Another compelling reason for its creation was that the Maryland Insurance Administration was receiving nearly 800 complaints a month from citizens concerning their inability to obtain and maintain motor vehicle insurance in the private insurance market.

MAIF operates as an independent agency of the State of Maryland. MAIF's statutory purpose is to be the "insurer of last resort." MAIF was not created to compete with private insurance companies. Based on its statutory purpose, MAIF is required to only accept applications from Maryland residents who have either been refused coverage by at least two private insurers or who have had their insurance policy cancelled. Unlike private insurance companies, MAIF's underwriting eligibility requirements are defined by statute. Section 20-502 of the Insurance Article states:

- “(a) *In general.* – On payment of the premium set by the Fund, the Fund is authorized to and shall sell, issue, and deliver a policy that provides the security required under §17-103 of the Transportation Article to a person:
- (1) that owns a covered vehicle registered with the Motor Vehicle Administration, has a license issued by the Motor Vehicle Administration to drive a covered vehicle, or is a lessee under a “lease not intended as security”, as defined in §11-127.2(b) of the Transportation Article;
 - (2) that does not owe to the Fund:
 - (i) an unpaid premium with respect to a policy that has expired or been cancelled; or
 - (ii) a claim payment obtained by fraud;
 - (3) that:
 - (i) has attempted in good faith to obtain a policy that provides that security required under §17-103 of the Transportation Article from at least two Association members and has been rejected or refused the policy by two Association members for any reason other than nonpayment of premiums; or
 - (ii) has had a policy that provides the security required under §17-103 of the Transportation Article canceled or nonrenewed by an Association member for any reason other than nonpayment of premiums; and
 - (4) that meets the requirements of subsection (b) of this section.
- (b) *Personal residency and business location.* – To be eligible for a policy issued under this subtitle, a person must:
- (1) be domiciled in the State;
 - (2) own, lease, or rent a primary place of residence in the State and, regardless of the person's domicile, reside in the State for more than 1 year;
 - (3) maintain a main or branch office or warehouse facility in the State, and base and operate motor vehicles intrastate in the State;
 - (4) have filed as a State resident for income tax purposes; or
 - (5) have a nonresident permit issued under §13-402.1(e) of the Transportation Article.”

MAIF is a unique entity, which fills the role performed in many other states by Joint Underwriting Associations or Assigned Risk Plans. In order to change MAIF's eligibility requirements, the General Assembly would need to enact legislation to that effect.

To ensure that MAIF's policyholders make every effort to return to the private insurance market, MAIF maintains an aggressive de-population program. The program states that no policyholder that is accident free and has been with MAIF for three years can remain with MAIF **unless** the policyholder first attempts to secure insurance from the private insurance market. If the policyholder attempts to secure coverage in the private insurance market, but is rejected by two insurers, the individual may reapply for coverage through MAIF.

As part of its statutory mandate, MAIF also oversees the Uninsured Division which incorporates the former Maryland Unsatisfied Claim and Judgement Fund. This division of MAIF administers and pays claims to Maryland residents involved in accidents with unidentified or uninsured motorists where no other source of recovery is available. The Uninsured Division of MAIF is funded by a portion of the uninsured motorists' penalty fines collected by the Motor Vehicle Administration.

Maryland law provides that any licensed insurance producer qualified to do business in the State may sell MAIF coverage, subject to MAIF's binding rules. Currently, there are over 1,544 active MAIF producers throughout the State. The amount of commissions paid to MAIF producers is governed by statute. The current commission rate paid to producers is 10% of the premium paid for a MAIF policy.

Although the statute authorizes MAIF to offer commercial and private passenger automobile coverage products, the vast majority of its policies are private passenger automobile insurance policies. 99% of these policies carry only the minimum liability limits required by statute. Currently, those limits are: bodily injury coverage of \$20,000 per person, \$40,000 per accident, and property damage coverage of \$15,000. A reason for MAIF not insuring a greater number of commercial vehicles may be that the liability

limits available through MAIF are not high enough to satisfy the needs of commercial insureds. Other coverages offered by MAIF include personal injury protection, uninsured motorist, comprehensive and collision.

Although MAIF is not funded by state funds, MAIF is nonetheless subject to oversight by the State of Maryland. Its employees are governed by the rules and regulations relating to all state employees; including access to the state grievance system. The General Assembly and the State Department of Personnel control salary ranges, fringe benefits, length of the work week, holiday schedules and cost-of-living increases. MAIF's budget is reviewed by the General Assembly and the State Legislative Auditors review its operations. In addition, the statute requires that MAIF have a Board of Trustees. The composition of the Board of Trustees, as outlined in the statute, requires that seven (7) members of the Board are to be appointed by the Governor, with the advice and consent of the Senate, five (5) are to be appointed by the Maryland Insurance Automobile Insurance Association and one (1) is to be the Executive Director. The Executive Director is responsible for the day-to-day operations of MAIF.

Multiple entities are involved in ensuring that MAIF remains fiscally sound. In addition to the MAIF management staff, there exists, by statute, a Financial Management Committee that is a subcommittee of the Board of Trustees. The Financial Management Committee is responsible for overseeing the management and investment of MAIF funds. An independent external accounting firm conducts an annual financial audit. The Legislative Auditor is required to conduct fiscal audits and compliance audits of accounts and transactions either every two years or, if there is a need, annually. In addition, MAIF, like other insurers, is subject periodic financial examinations by the Maryland Insurance Administration and is required to submit annual financial statements. The rates charged by MAIF must be based upon accepted actuarial principles and approved by the Maryland Insurance Administration before they may be used; that is, MAIF is subject to a "prior approval" rating system.

As a public agency, MAIF differs from private insurance companies in several significant ways, including ratemaking. Premiums charged by MAIF for motor vehicle insurance are set by the Executive Director, “subject to the approval of the Commissioner of Insurance.” By law, when the Commissioner reviews MAIF’s rates consideration must not only be given to rate making principles applicable to all insurance companies, “but also to the Fund’s statutory purpose.” This has been interpreted as adding an affordability component to MAIF’s premiums which results in below adequate premiums or a subsidy for Baltimore City insureds. Historically, that subsidy has amounted to a 15% reduction in the actuarially justified rates for Baltimore City insureds. According to MAIF’s data, as of December 10, 2003, the average premium for a policy written through MAIF is \$1,375.00. The coverages and associated premiums are: Bodily Injury (“BI”)-\$520, Property Damage (“PD”) - \$536, Personal Injury Protection (“PIP”) - \$218, and Uninsured Motorists (“UM”) - \$101.

Unlike the majority of private insurers, state law prohibits MAIF from offering its policyholders any type of installment payment plan. Therefore, MAIF policyholders must either pay their entire premium in full or finance it through a premium finance company. Currently, approximately 95% of all MAIF policies are financed through premium finance companies. The example below illustrates the costs imposed upon MAIF policyholders as a result of MAIF being prohibited from offering installment plans:

	Example
Annual premium	\$1900.00
Down payment of 20%	380.00
Amount financed	1520.00
Ten pay finance plan	171.48/month
Total of monthly payments	1714.80
Total finance charges and fees	194.80
Annual percentage rate	27.06%

The premiums shown in Section II compare the premiums for MAIF with 35 large insurers providing private passenger automobile coverage to consumers in Maryland. Each of the hypothetical rating scenarios is described in detail and each of the insurers provided the premium amounts shown in each comparison.

Pursuant to MAIF's enabling statute, yearly operating deficits may result in an assessment on all companies writing motor vehicle insurance in Maryland. If MAIF has an operating deficit, the law requires that MAIF's surplus be measured against its net written premium writings to ensure that the operating deficit does not result in the surplus level falling too low vis-a-vis the premium level. If the surplus falls below the accepted level, an assessment may be used to fund any shortfall. The companies then pass this assessment onto Maryland insureds as part of their insurance policy premium regardless of which company they are insured with. Even at its peak, the MAIF assessment on the motoring public was minimal. The MAIF assessment has never exceeded \$5 per policy, compared to assessments of over \$200 per policy in other northeastern urban states. MAIF has not had an assessment since 1989. In addition, MAIF recently indicated that no assessment was anticipated for 2004.

Approximately 35% of MAIF policyholders are concentrated within two geographic areas; Baltimore City and the Metro-Washington area. Specifically, 10% live in Baltimore City and 25% live in territories adjacent to Washington, D.C. The balance of policyholders are scattered throughout the state.

Summary

MAIF appears to be fulfilling the purpose for which it was created by the General Assembly; that is to offer automobile insurance, at affordable prices, to Maryland citizens that might otherwise not be able to obtain insurance and comply with Maryland's compulsory insurance laws. To that end, MAIF plays an essential role in supporting the State's goal of minimizing the number of uninsured drivers operating vehicles on Maryland's roads and highways.

Section II

Private passenger automobile premium scenarios presented in this section:

- **Scenario 1: Senior Citizen, Age 65**
- **Scenario 2A: Young Single Female, Age 17**
- **Scenario 2B: Young Single Female, Age 23**
- **Scenario 3A: Young Single Male, Age 17**
- **Scenario 3B: Young Single Male, Age 23**
- **Scenario 4: Family Rate**

Scenario 1: Senior Citizen, Age 65**Rates Effective as of July 1, 2003**

Insurance Company	21401 Anne Arundel	21218 Balto City	21030 Balto	21157 Carroll	21701 Frederick	21014 Harford	20855 Montgomery	20769 Prince Georges	20650 St Mary's	21801 Wicomico
Maryland Automobile Insurance Fund (MAIF)	1703	3123	2284	1703	1703	1703	1703	1892	1703	1436
Agency Insurance Company of Md, Inc.	1377	3039	1850	1360	1174	1454	1983	1693	1379	1371
AIU Insurance Company	852	1970	1077	833	683	896	1001	1065	871	753
Allstate Indemnity Company	3160	4464	2302	2166	1655	2261	2166	2511	2040	1950
Allstate Insurance Company	774	1571	916	785	633	785	810	774	785	713
Allstate Property and Casualty	731	1487	864	742	603	742	763	731	747	678
Amica Mutual Insurance Company	747	1386	813	788	803	788	712	971	949	709
Brethren Mutual Insurance Company	511	1221	618	494	494	505	605	694	511	459
Deerbrook Insurance Company	2767	3764	2856	2657	2547	2833	2814	2830	2730	2578
Farmers New Century Insurance Company	1348	2888	1551	1126	950	1293	1353	1761	1405	1025
Fireman's Fund Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
First Liberty Insurance Corporation	638	1319	757	646	528	646	658	638	662	604
GEICO Casualty Company	1854	3205	2059	1828	1639	2079	1950	2225	1840	1757
GEICO General Insurance Company	392	712	415	400	351	432	430	486	384	370
GEICO Indemnity Company	1066	1960	1159	1084	961	1185	1165	1331	1069	1015
Government Employees Insurance Company	392	712	415	400	351	432	430	486	384	370
Harleysville Mutual Insurance Company	1072	1813	1167	890	786	1072	1195	1362	1074	964
Hartford Fire Insurance Company	760	1328	726	692	678	726	814	912	842	668
Interstate Auto Insurance Company	1664	3556	2458	1664	1664	1664	1664	1860	1664	1461
Liberty Insurance Corporation	1064	2197	1260	1076	882	1076	1099	1064	1107	1009
Liberty Mutual Fire Insurance Company	709	1463	839	717	587	717	732	709	736	671
Nationwide Mutual Fire Insurance Company	784	1165	878	742	688	873	1039	963	857	735
Nationwide Mutual Insurance Company	815	1217	915	772	714	910	1085	1005	893	764
Nationwide Property and Casualty Insurance Co	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ohio Casualty Insurance Company	633	1147	926	490	441	604	742	768	629	533
Progressive Classic Insurance Company	1674	3783	2273	1644	1418	1815	1941	1983	1679	1663
Progressive Halcyon Insurance Company	1844	3919	2434	1818	1597	1982	2116	2161	1845	1846

Scenario 1: Senior Citizen, Age 65

Rates Effective as of July 1, 2003

Insurance Company	21401 Anne Arundel	21218 Balto City	21030 Balto	21157 Carroll	21701 Frederick	21014 Harford	20855 Montgomery	20769 Prince Georges	20650 St Mary's	21801 Wicomico
Property and Casualty Ins Co of Hartford	867	1657	1034	808	708	857	1000	953	812	738
Royal Insurance Company of America	1020	1298	1098	874	672	906	945	1890	1171	1063
State Auto Property & Casualty Insurance Co	578	1058	576	480	362	590	702	538	542	500
State Farm Fire and Casualty Company	1165	1976	1379	1149	1022	1148	1329	1498	1160	1012
State Farm Mutual Auto Insurance Company	819	1391	970	809	720	808	934	1055	817	712
Travelers Indemnity Company	787	1736	784	634	612	762	806	1075	690	717
United Services Automobile Association	492	733	560	507	462	525	523	563	507	456
USAA Casualty Insurance Company	477	723	544	494	448	510	507	548	493	443
West American Insurance Company	856	1550	1252	662	596	816	1003	1038	850	721

Scenario 4: Family Rate**Rates Effective as of July 1, 2003**

Insurance Company	21401 Anne Arundel	21218 Balto City	21030 Balto	21157 Carroll	21701 Frederick	21014 Harford	20855 Montgomery	20769 Prince Georges	20650 St Mary's	21801 Wicomico
Maryland Automobile Insurance Fund (MAIF)	5831	10817	7818	5831	5831	5831	5831	6422	5831	4870
Agency Insurance Company of Md, Inc.	4296	9497	5798	4239	3653	4545	6202	5255	4300	4279
AIU Insurance Company	4546	9137	5621	4431	3592	4716	5366	5659	4686	3991
Allstate Indemnity Company	6632	13750	7318	6852	5266	7137	6851	7845	6401	6154
Allstate Insurance Company	3889	7445	4535	3892	3319	3892	3954	3889	4134	3775
Allstate Property and Casualty	3209	6250	3756	3243	2698	3243	3326	3209	3331	3008
Amica Mutual Insurance Company	2167	4013	2354	2299	2354	2299	2049	2843	2818	2065
Brethren Mutual Insurance Company	1865	4338	2241	1815	1815	1863	2200	2542	1865	1684
Deerbrook Insurance Company	9160	12555	9421	8711	8329	9315	9277	9299	8988	8452
Farmers New Century Insurance Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Fireman's Fund Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
First Liberty Insurance Corporation	1866	3762	2202	1881	1553	1881	1922	1866	1941	1765
GEICO Casualty Company	5962	9972	6648	5881	5269	6697	6280	7082	5822	5620
GEICO General Insurance Company	2087	3759	2215	2141	1875	2294	2284	2597	2060	1983
GEICO Indemnity Company	4543	8199	4963	4658	4125	5077	5007	5661	4506	4308
Government Employees Insurance Company	2087	3759	2215	2141	1875	2294	2284	2597	2060	1983
Harleysville Mutual Insurance Company	3335	5507	3615	2779	2457	3335	3717	4204	3356	3847
Hartford Fire Insurance Company	2174	3806	2074	1980	1942	2074	2332	2622	2416	1916
Interstate Auto Insurance Company	7248	15028	10490	7248	7248	7248	7248	8050	7248	6265
Liberty Insurance Corporation	3296	6622	3884	3325	2744	3325	3389	3296	3430	3128
Liberty Mutual Fire Insurance Company	2074	4182	2445	2091	1724	2091	2131	2074	2157	1965
Nationwide Mutual Fire Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nationwide Mutual Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nationwide Property and Casualty Insurance Co	3098	4897	3567	2951	2700	3515	4241	3911	3488	2938
Ohio Casualty Insurance Company	2238	4021	3234	1699	1535	2137	2628	2729	2210	1894
Progressive Classic Insurance Company	4551	10335	6201	4453	3816	4934	5276	5351	4569	4494
Progressive Halcyon Insurance Company	7198	15896	9704	7089	6130	7784	8344	8477	7224	7163

Scenario 4: Family Rate

Rates Effective as of July 1, 2003

Insurance Company	21401 Anne Arundel	21218 Balto City	21030 Balto	21157 Carroll	21701 Frederick	21014 Harford	20855 Montgomery	20769 Prince Georges	20650 St Mary's	21801 Wicomico
Property and Casualty Ins Co of Hartford	2789	5587	3380	2596	2248	2778	3307	3109	2610	2350
Royal Insurance Company of America	1815	2282	1938	1552	1193	1613	1680	3341	2078	1894
State Auto Property & Casualty Insurance Co	2348	3794	2216	2012	1566	2226	2574	2076	2010	1840
State Farm Fire and Casualty Company	4074	6641	4610	4037	3590	4032	4431	5030	4078	3552
State Farm Mutual Auto Insurance Company	2245	3694	2563	2226	1981	2224	2462	2797	2249	1961
Travelers Indemnity Company	2935	6594	2942	2355	2270	2850	3018	4034	2567	2682
United Services Automobile Association	1417	2179	1632	1477	1336	1525	1519	1646	1471	1312
USAA Casualty Insurance Company	1442	2270	1665	1512	1354	1556	1543	1685	1498	1334
West American Insurance Company	3024	5434	4371	2296	2075	2888	3552	3688	2986	2560

Scenario 3A: Young Single Male, Age 17**Rates Effective as of July 1, 2003**

Insurance Company	21401 Anne Arundel	21218 Balto City	21030 Balto	21157 Carroll	21701 Frederick	21014 Harford	20855 Montgomery	20769 Prince Georges	20650 St Mary's	21801 Wicomico
Maryland Automobile Insurance Fund (MAIF)	5642	10420	7500	5642	5642	5642	5642	6160	5642	4790
Agency Insurance Company of Md, Inc.	8123	18426	11014	7952	6808	8595	11648	9883	8154	7980
AIU Insurance Company	17745	32856	21506	17293	14325	18217	21082	22217	18642	15866
Allstate Indemnity Company	9243	19500	10176	9572	7317	9961	9594	10925	8976	8606
Allstate Insurance Company	7636	14669	8961	7715	6309	7715	7959	7636	7788	7006
Allstate Property and Casualty	7434	14588	8751	7509	6171	7509	7748	7434	7648	6855
Amica Mutual Insurance Company	3787	6916	4047	4058	4203	4058	3526	5067	5086	3683
Brethren Mutual Insurance Company	3352	7299	3981	3287	3287	3349	3955	4636	3352	3021
Deerbrook Insurance Company	9003	12426	9282	8575	8191	9177	9138	9166	8844	8312
Farmers New Century Insurance Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Fireman's Fund Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
First Liberty Insurance Corporation	4383	8577	5136	4404	3731	4404	4485	4383	4653	4211
GEICO Casualty Company	9178	14827	10283	9091	8142	10326	9632	10859	8913	8684
GEICO General Insurance Company	4796	8550	5106	4981	4346	5259	5238	6021	4806	4606
GEICO Indemnity Company	5845	10356	6380	6045	5348	6550	6425	7290	5776	5545
Government Employees Insurance Company	4796	8550	5106	4981	4346	5259	5238	6021	4806	4606
Harleysville Mutual Insurance Company	9215	14703	9873	7646	6809	9215	10068	11277	9371	8467
Hartford Fire Insurance Company	4678	8178	4460	4278	4218	4460	4994	5728	5248	4160
Interstate Auto Insurance Company	8935	18345	12827	8935	8935	8935	8935	9903	8935	7720
Liberty Insurance Corporation	8058	15798	9433	8099	6862	8099	8239	8058	8548	7751
Liberty Mutual Fire Insurance Company	4869	9532	5701	4895	4145	4895	4981	4869	5163	4681
Nationwide Mutual Fire Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nationwide Mutual Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nationwide Property and Casualty Insurance Co	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ohio Casualty Insurance Company	6087	10653	8465	4574	4223	5812	7119	7226	5907	5203
Progressive Classic Insurance Company	9747	22093	13219	9573	8220	10568	11265	11520	9795	9621
Progressive Halcyon Insurance Company	9858	21826	13244	9734	8429	10661	11390	11674	9894	9809

Scenario 3A: Young Single Male, Age 17**Rates Effective as of July 1, 2003**

Insurance Company	21401 Anne Arundel	21218 Balto City	21030 Balto	21157 Carroll	21701 Frederick	21014 Harford	20855 Montgomery	20769 Prince Georges	20650 St Mary's	21801 Wicomico
Property and Casualty Ins Co of Hartford	5022	10484	6192	4722	4082	5081	6121	5687	4783	4315
Royal Insurance Company of America	5650	6963	5932	4833	3653	5007	5228	10491	6513	5979
State Auto Property & Casualty Insurance Co	6962	10628	6350	6034	4872	6520	7294	6084	5880	5376
State Farm Fire and Casualty Company	7455	12648	8392	7397	6561	7480	7914	9100	7516	6549
State Farm Mutual Auto Insurance Company	4261	7516	4986	4227	3750	4275	4702	5408	4296	3742
Travelers Indemnity Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
United Services Automobile Association	3032	4923	3555	3228	2872	3308	3291	3608	3168	2792
USAA Casualty Insurance Company	3429	5742	4030	3669	3218	3747	3707	4109	3581	3146
West American Insurance Company	8226	14396	11439	6182	5708	7854	9620	9765	7983	7031

Scenario 2A: Young Single Female, Age 17**Rates Effective as of July 1, 2003**

Insurance Company	21401 Anne Arundel	21218 Balto City	21030 Balto	21157 Carroll	21701 Frederick	21014 Harford	20855 Montgomery	20769 Prince Georges	20650 St Mary's	21801 Wicomico
Maryland Automobile Insurance Fund (MAIF)	3774	7160	5096	3774	3774	3774	3774	4152	3774	3168
Agency Insurance Company of Md, Inc.	6287	14656	8611	6106	5190	6668	9001	7586	6325	6120
AIU Insurance Company	10278	19270	12493	10011	8263	10568	12202	12843	10752	9150
Allstate Indemnity Company	5717	12166	6320	5934	4543	6167	5986	6765	5532	5312
Allstate Insurance Company	3521	6817	4130	3559	2929	3559	3665	3521	3616	3253
Allstate Property and Casualty	3467	6895	4085	3503	2894	3503	3610	3467	3592	3218
Amica Mutual Insurance Company	2618	3470	2032	2022	2084	2022	1772	2517	2511	1834
Brethren Mutual Insurance Company	2078	4588	2477	2037	2037	2075	2457	2867	2078	1876
Deerbrook Insurance Company	6271	8578	6462	5987	5727	6395	6364	6384	6166	5806
Farmers New Century Insurance Company	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Fireman's Fund Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
First Liberty Insurance Corporation	2451	4839	2878	2462	2080	2462	2506	2451	2599	2357
GEICO Casualty Company	7531	12219	8434	7451	6674	8472	7914	8906	7305	7112
GEICO General Insurance Company	3711	6625	3946	3846	3359	4064	4045	4657	3727	3568
GEICO Indemnity Company	5113	9077	5582	5279	4673	5728	5625	6373	505	4848
Government Employees Insurance Company	3711	6625	3946	3846	3359	4064	4045	4657	3727	3568
Harleysville Mutual Insurance Company	4700	7628	5058	3894	3458	4700	5146	5782	4761	4295
Hartford Fire Insurance Company	3102	5446	2958	2834	2792	2958	3314	3792	3474	2750
Interstate Auto Insurance Company	3691	7721	5378	3691	3691	3691	3691	4124	3691	3245
Liberty Insurance Corporation	4801	9506	5634	4827	4073	4827	4912	4801	5088	4615
Liberty Mutual Fire Insurance Company	2724	5378	3195	2737	2311	2737	2786	2724	2886	2619
Nationwide Mutual Fire Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nationwide Mutual Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nationwide Property and Casualty Insurance Co	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ohio Casualty Insurance Company	4017	7087	5641	3026	2783	3836	4701	4794	3915	3424
Progressive Classic Insurance Company	7396	17370	10170	7171	6100	8034	8530	8638	7453	7208
Progressive Halcyon Insurance Company	7514	17181	10218	7326	6296	8136	8658	8790	7558	7389

Scenario 2A: Young Single Female, Age 17**Rates Effective as of July 1, 2003**

Insurance Company	21401 Anne Arundel	21218 Balto City	21030 Balto	21157 Carroll	21701 Frederick	21014 Harford	20855 Montgomery	20769 Prince Georges	20650 St Mary's	21801 Wicomico
Property and Casualty Ins Co of Hartford	3348	6966	4124	3142	2715	3377	4057	3780	3182	2868
Royal Insurance Company of America	3698	4580	3901	3160	2399	3280	3419	6868	4259	3897
State Auto Property & Casualty Insurance Co	4356	7162	4270	4044	3246	4356	4902	4076	3930	3592
State Farm Fire and Casualty Company	3981	6869	4595	3940	3494	3976	4356	4992	4007	3487
State Farm Mutual Auto Insurance Company	2373	4128	2761	2351	2084	2370	2615	2999	2388	2079
Travelers Indemnity Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
United Services Automobile Association	1111	1712	1291	1173	1064	1205	1204	1304	1162	1034
USAA Casualty Insurance Company	1187	1865	1382	1259	1133	1289	1284	1400	1243	1104
West American Insurance Company	5429	9578	7623	4090	3761	5184	6353	6479	5290	4627

Scenario 3B: Young Single Male, Age 23**Rates Effective as of July 1, 2003**

Insurance Company	21401 Anne Arundel	21218 Balto City	21030 Balto	21157 Carroll	21701 Frederick	21014 Harford	20855 Montgomery	20769 Prince Georges	20650 St Mary's	21801 Wicomico
Maryland Automobile Insurance Fund (MAIF)	4063	7493	5404	4063	4063	4063	4063	4448	4063	3465
Agency Insurance Company of Md, Inc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
AIU Insurance Company	9158	17148	11130	8927	7396	9412	10880	11473	9617	8194
Allstate Indemnity Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Allstate Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Allstate Property and Casualty	4103	8173	4839	4141	3427	4141	4268	4103	4261	3820
Amica Mutual Insurance Company	2725	4966	2911	2915	3018	2915	2540	3635	3642	2651
Brethren Mutual Insurance Company	2128	4672	2528	2085	2085	2122	2513	2942	2128	1916
Deerbrook Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Farmers New Century Insurance Company	4211	8738	4835	3559	2974	4074	4281	5398	4424	3209
Fireman's Fund Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
First Liberty Insurance Corporation	2684	5300	3149	2700	2279	2700	2753	2684	2842	2570
GEICO Casualty Company	4071	6702	4555	4056	3629	4569	4243	4892	4068	3915
GEICO General Insurance Company	1866	3331	1983	1936	1690	2046	2035	2341	1870	1791
GEICO Indemnity Company	3295	5883	3573	3406	3009	3671	3571	4130	3311	3155
Government Employees Insurance Company	1866	3331	1983	1936	1690	2046	2035	2341	1870	1791
Harleysville Mutual Insurance Company	4601	7445	4994	3806	3806	4601	5014	5630	4673	4224
Hartford Fire Insurance Company	2614	4562	2492	2392	2358	2492	2788	3196	2930	2326
Interstate Auto Insurance Company	4552	9404	6584	4552	4552	4552	4552	5074	4552	3992
Liberty Insurance Corporation	3836	7592	4500	3861	3263	3861	3931	3836	4064	3682
Liberty Mutual Fire Insurance Company	2981	5890	3497	3000	2531	3000	3057	2981	3153	2856
Nationwide Mutual Fire Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nationwide Mutual Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nationwide Property and Casualty Insurance Co	4523	7643	5384	4304	3894	5206	6328	5791	5185	4325
Ohio Casualty Insurance Company	2682	4731	3759	2024	1867	2560	3134	3179	2608	2287
Progressive Classic Insurance Company	4345	9396	5775	4315	3780	4683	5025	5220	4326	4388
Progressive Halcyon Insurance Company	3721	7810	4882	3699	3274	3994	4284	4448	3699	3773

Scenario 3B: Young Single Male, Age 23**Rates Effective as of July 1, 2003**

Insurance Company	21401 Anne Arundel	21218 Balto City	21030 Balto	21157 Carroll	21701 Frederick	21014 Harford	20855 Montgomery	20769 Prince Georges	20650 St Mary's	21801 Wicomico
Property and Casualty Ins Co of Hartford	2512	5176	3082	2362	2051	2597	3044	2836	2392	2164
Royal Insurance Company of America	3049	3814	3240	2610	1975	2700	2831	5650	3507	3210
State Auto Property & Casualty Insurance Co	4428	8008	4270	3778	2908	4720	4428	4270	4332	3990
State Farm Fire and Casualty Company	3145	5455	3613	3105	2746	3145	3430	3902	3158	2746
State Farm Mutual Auto Insurance Company	2331	4016	2658	2303	2036	2332	2542	2874	2342	2036
Travelers Indemnity Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
United Services Automobile Association	1414	2264	1648	1501	1341	1537	1530	1672	1474	1305
USAA Casualty Insurance Company	1488	2458	1739	1588	1399	1621	1604	1772	1551	1369
West American Insurance Company	3625	6393	5079	2735	2523	3459	4236	4296	3225	3091

Scenario 2B: Young Single Female, Age 23**Rates Effective as of July 1, 2003**

Insurance Company	21401 Anne Arundel	21218 Balto City	21030 Balto	21157 Carroll	21701 Frederick	21014 Harford	20855 Montgomery	20769 Prince Georges	20650 St Mary's	21801 Wicomico
Maryland Automobile Insurance Fund (MAIF)	2244	4264	3049	2244	2244	2244	2244	2500	2244	1920
Agency Insurance Company of Md, Inc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
AIU Insurance Company	3876	7517	4742	3778	3118	3999	4596	4850	4052	3456
Allstate Indemnity Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Allstate Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Allstate Property and Casualty	2298	4627	2708	2317	1944	2317	2382	2298	2420	2172
Amica Mutual Insurance Company	2099	2493	1465	1453	1497	1453	1282	1804	1795	1320
Brethren Mutual Insurance Company	1747	3873	2083	1710	1710	1742	2067	2409	1747	1577
Deerbrook Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Farmers New Century Insurance Company	3027	6277	3473	2601	2138	2930	3078	3885	3198	2308
Fireman's Fund Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
First Liberty Insurance Corporation	1702	3390	2000	1712	1444	1712	1742	1702	1805	1637
GEICO Casualty Company	2752	4602	3073	2738	2450	3088	2868	3314	2756	2645
GEICO General Insurance Company	1013	1814	1075	1048	916	1109	1101	1270	1017	973
GEICO Indemnity Company	2062	3715	2230	2123	1877	2290	2228	2590	2084	1977
Government Employees Insurance Company	1013	1814	1075	1048	916	1109	1101	1270	1017	973
Harleysville Mutual Insurance Company	2332	3887	2523	1919	1701	2332	2539	2867	2355	2126
Hartford Fire Insurance Company	1790	3134	1706	1636	1612	1706	1910	2182	2002	1588
Interstate Auto Insurance Company	2298	4983	3429	2298	2298	2298	2298	2594	2298	2042
Liberty Insurance Corporation	2612	5216	3072	2631	2217	2631	2678	2616	2770	2514
Liberty Mutual Fire Insurance Company	1892	3768	2222	1903	1604	1903	1937	1892	2005	1818
Nationwide Mutual Fire Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nationwide Mutual Insurance Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nationwide Property and Casualty Insurance Co	3143	5255	3723	2984	2708	3605	4386	4010	3573	2996
Ohio Casualty Insurance Company	1720	3071	2444	1304	1197	1641	2010	2047	1681	1460
Progressive Classic Insurance Company	3173	7203	4293	3085	2680	3422	3656	3748	3160	3158
Progressive Halcyon Insurance Company	2786	6073	3707	2718	2395	2989	3194	3273	2772	2791

Scenario 2B: Young Single Female, Age 23**Rates Effective as of July 1, 2003**

Insurance Company	21401 Anne Arundel	21218 Balto City	21030 Balto	21157 Carroll	21701 Frederick	21014 Harford	20855 Montgomery	20769 Prince Georges	20650 St Mary's	21801 Wicomico
Property and Casualty Ins Co of Hartford	1783	3645	2182	1674	1454	1838	2144	2005	1694	1533
Royal Insurance Company of America	2160	2647	2248	1802	1369	1864	1954	3897	2419	2208
State Auto Property & Casualty Insurance Co	2530	4594	2430	2156	1650	2678	2530	2430	2466	2258
State Farm Fire and Casualty Company	2204	3653	2447	2178	1933	2198	2397	2654	2215	1929
State Farm Mutual Auto Insurance Company	1618	2761	1847	1601	1420	1614	1760	2006	1626	1417
Travelers Indemnity Company	2600	5618	2560	2092	2022	2512	2658	3560	2270	2400
United Services Automobile Association	693	1046	799	729	665	748	748	806	723	647
USAA Casualty Insurance Company	650	996	750	687	623	703	700	759	679	608
West American Insurance Company	2324	4150	3303	1762	1618	2218	2716	2766	2272	1974

Section III

Documents contained in this section:

- **MAIF's private passenger automobile application**

(Note: The applicant is required to certify that they have either been turned down by two companies or their insurance has been canceled or non-renewed for a reason other than non-payment of premium. In each case, the applicant is required to provide the name of both insurance companies.)

- **MAIF's letter to policyholders that become eligible for the application of MAIF's three-year safe driver discount.**

(Note: The letter is accompanied by the Maryland Insurance Administration's Comparison Guide for Maryland Auto Insurance Rates.)

- **MAIF's rewrite certification of eligibility for personal automobile insurance for policies subject to the three year safe driver discount.**

(Note: All applicants who choose to remain with MAIF are required to certify that they have either been turned down by two companies or their insurance has been cancelled or non-renewed for a reason other than non-payment of premium. In each case, the applicant is required to provide the name of both insurance companies.)

**Maryland Automobile Insurance Fund
PRIVATE PASSENGER VEHICLE INSURANCE APPLICATION**

OWNER'S NAME

 FIRST _____
 MIDDLE _____
 LAST _____ SR/JR _____

CO-OWNER'S NAME

 FIRST _____
 MIDDLE _____
 LAST _____ SR/JR _____

RESIDENCE ADDRESS - STREET

HOW LONG AT THIS ADDRESS?

CITY

ST

ZIP

HOME - AREA CODE & TELEPHONE

WORK - AREA CODE & TELEPHONE

EMPLOYER/OCCUPATION

GARAGING LOCATION IF OTHER THAN RESIDENCE, SPECIFY WHICH CAR(S) _____

PROPOSED EFFECTIVE DATE AND TIME OF BINDING	CALL (888) 663-2463	DCR NUMBER
ELECTRONIC EFFECTIVE DATE REFERENCE NUMBER Ref No _____ Date _____ Hour _____ <input type="checkbox"/> AM <input type="checkbox"/> PM	FUTURE EFFECTIVE DATE Date _____ Hour _____ <input type="checkbox"/> AM <input type="checkbox"/> PM	
IN NO EVENT SHALL COVERAGE BE EFFECTIVE PRIOR TO THE DATE AND HOUR OF COMPLETION OF THIS APPLICATION		

PREMIUM WORKSHEET

VEH NO	LIABILITY LIMITS BI _____ PD _____	UM BI _____ PD _____	PIP \$2500 <input type="checkbox"/> FULL <input type="checkbox"/> LTD	PHYSICAL DAMAGE						TOTAL PREMIUM PER VEH
				COMPREHENSIVE		COLLISION		ADDITIONAL EQUIPMENT		
				PREM	DED	PREM	DED	PREM	VALUE	
1										
4										

* PREMIUM IS SUBJECT TO REVIEW AND APPROVAL BY THE FUND AND MAY BE ADJUSTED TO THE RULES AND RATES ON FILE WITH THE MARYLAND INSURANCE ADMINISTRATION

PREMIUM DUE FROM APPLICANT *	
COMMISSION DEDUCTED	
PREMIUM DUE MAIF	

CODE

FINANCE COMPANY NAME

APPLICANT'S ELIGIBILITY STATEMENT

MY SIGNATURE CERTIFIES THAT THE INFORMATION IN THE BOXES CHECKED BELOW IS TRUE AND CORRECT. IF ANY OF THIS INFORMATION IS NOT FACTUAL OR IF THE PAYMENT TO BIND THIS COVERAGE IS NOT HONORED BY THE PAYOR BANK, THE APPLICATION WILL BE VOID AND NO COVERAGE AFFORDED. THIS MAY MAKE ME SUBJECT TO A FINE BY THE MARYLAND MOTOR VEHICLE ADMINISTRATION (MD MVA) FOR FAILURE TO MAINTAIN INSURANCE OR POSSIBLE CRIMINAL PROSECUTION

- I am a resident of **and** principally garage my car(s) in Maryland, **and** I reside at the address shown on the application **AND**
- I own or lease the car(s) I am insuring, **AND**
- The car(s) I am insuring is currently registered in Maryland or I have obtained a non-resident permit issued by the MD MVA, **OR**
- I have a valid Maryland driver's license issued by the MD MVA

AND My automobile liability insurance has been

- turned down by two companies as named below. **OR**
- canceled or non-renewed by one company named below for a reason other than non-payment of premium

Name of Ins. Co _____

Name of Ins. Co _____

Notice to Applicants: As a part of our screening process an investigative consumer report may be obtained including information regarding your residency, financial, regulatory compliance, employment background, driving record and prior insurance claim experience. All information obtained will be kept confidential by MAIF in the ordinary course of business and is not generally available for public disclosure. Upon your written request we will furnish in writing a description of the nature and scope of the investigation requested.

Signature of Applicant

Social Security Number

Date

BINDING STATEMENT BY PRODUCER

I certify that I have read the rules and regulations of MAIF and explained their provisions to the applicant. I realize that any misleading information or failure to disclose required information may result in termination of my right to bind coverages. Application must be submitted to MAIF within 10 days.

SIGNATURE OF PRODUCER OF RECORD
MAIF 60801 (Rev. 12/2000)

DATE

PHONE

PRODUCER CODE

OPERATOR INFORMATION List all residents of the owner's household who are licensed to drive and all residents who are over the age of 14 but are not currently licensed. Also list all other operators.

NAME OF OPERATOR(S) (AS SHOWN ON THE DRIVER'S LICENSE)	SEX	MAR STAT	RELATION TO OWNER	DATE OF BIRTH MM/DD/YR	# YRS LIC	DRIVERS LICENSE NUMBER	STATE	PTS
1								
2								
3								

ACCIDENT VIOLATION HISTORY Attach MVR/DCR and list details of all occurrences during the past 36 months for operators listed above.

NAME OF OPERATOR(S) (AS SHOWN ABOVE)	DATE OF OCCURENCE MM/DD/YY	LOCATION and DETAILS OF ACCIDENTS and VIOLATIONS DURING PREVIOUS 36 MONTHS	NAME OF INSURANCE COMPANY THAT HANDLED ACCIDENT	NOT AT FAULT

VEHICLE INFORMATION (IF MORE THAN TWO VEHICLES, COMPLETE AN ADDITIONAL APPLICATION FORM)

VEH #	YR	MAKE AND MODEL	VEHICLE IDENTIFICATION NUMBER	TAG # and STATE
1				
2				

LOSS PAYEE *TYPE = L - Lienholder or A - Additional Insured Lessor

VEH #	TYPE*	NAME OF LOSS PAYEE	ADDRESS	CITY	STATE	ZIP CODE
1						
2						

IF PHYSICAL DAMAGE COVERAGE IS REQUESTED, A \$1000 LIMIT APPLIES FOR ALL SPECIAL OR CUSTOM EQUIPMENT OR ACCESSORIES. This includes but is not limited to, upgraded sound systems, wheels, tires, and custom paint. It applies to all extra equipment in conversion vans. This limitation includes all equipment not shown as a standard feature in automobile retail value guides for the applicable model year. Additional coverage may be requested and an additional premium charge paid.

COMPREHENSIVE AND COLLISION COVERAGES ARE SUBJECT TO APPROVAL AND ACCEPTANCE BY THE FUND BASED ON A PRE-COVERAGE AUTOMOBILE EXAMINATION WHICH MUST BE COMPLETED WITHIN FIFTEEN (15) CALENDAR DAYS OF THIS APPLICATION DATE. THIS FREE AUTOMOBILE EXAM MUST BE COMPLETED USING THE FORM PROVIDED BY YOUR PRODUCER.

ENTER THE EIGHT DIGIT CONTROL NUMBER SHOWN ON THE PRE-COVERAGE AUTOMOBILE EXAMINATION FORM.

VEH #1 _____ VEH #2 _____

RATING INFORMATION

VEH #	ORIGINAL LIST PRICE	RATING TERR	AGE	SYMBOL	EXTRA HAZARD	DRIVER CLASS	BUS USE	PTS	DEDUCTIBLES		SAFE DRIVER DISCOUNT	POLICY TYPE
									COMP	COLL		
1									COMP	COLL		<input type="checkbox"/> STANDARD <input type="checkbox"/> NAMED NON-OWNER <input type="checkbox"/> EXCLUDED DRIVER
2									COMP	COLL		

COMMENTS

CHECK LIST

ATTACH TO ALL APPLICATIONS

- Motor Vehicle Records for all operators OR MAIF Driver Chargeability Report OR Photocopy of Out-of-State license(s)
- Payment for full annual premium

ATTACH IF APPLICABLE

- Signed PIP Waiver
- Signed UM Waiver
- Signed Premium Finance Agreement
- Disclosure Statement of Coverages Purchased
- Non-Resident Permit
- Pre-Coverage Automobile Examination



Maryland Automobile Insurance Fund
1750 Forest Drive
Annapolis, MD 21401-4294
(Washington) 301-261-1913
(Baltimore) 410-269-1680

CHANGING TO SERVE YOU BETTER

RE: Policy Expiration

Dear Policyholder:

Your current policy with the Maryland Automobile Insurance Fund expires on the date shown on the reverse side. This is the only notice you will receive from MAIF concerning the expiration of your insurance. **Please contact your current insurance agent as shown on the reverse side to arrange for continuous automobile insurance coverage.**

A three-year discount will automatically apply to your next MAIF policy and will remain in effect as long as you remain accident and violation free. This discount is comparable to rates charged by standard insurers. This three-year discount is 30% below MAIF's regular rates.

To help you compare the possible cost of your automobile insurance coverage, we are enclosing an Automobile Rate Guide prepared by the Maryland Insurance Administration. This rate guide provides information on the rates charged by various insurance companies. If you have questions about the rate guide, please call the Maryland Insurance Administration toll free at 1-800-880-8072. **For additional assistance about buying private passenger automobile insurance coverage, please contact your current insurance agent.**

You are also entitled, under certain circumstances, to automobile insurance coverage with a private automobile insurance company. Under Maryland law, these companies may not refuse to issue you a policy if, in the past three years, you:

- have been continuously insured by MAIF;
- have not had a moving traffic violation;
- have not had a chargeable traffic accident; and
- meet the eligibility and underwriting standards of the insurer.

If you are wrongfully denied automobile insurance coverage with a private automobile insurance company, you have the right to file a complaint with the Insurance Commissioner at:

Maryland Insurance Administration
525 Saint Paul Place
Baltimore, Maryland 21202-2272

Attachment: Automobile Rate Guide

REW08C Rev. 8/99

Member Company of the National Insurance Crime Bureau

TTY: Baltimore/Annapolis Areas (410)269-4355
Toll Free Service From Other MD Areas 1-800-765-2340

**REWRITE CERTIFICATION OF ELIGIBILITY
FOR PERSONAL AUTOMOBILE INSURANCE**
(For policies subject to the Three Year Safe Driver Discount)

THE PRODUCER THAT WRITES YOUR APPLICATION CANNOT BIND COVERAGE IF YOU DO NOT MEET THE ELIGIBILITY REQUIREMENTS LISTED BELOW

PRE-COVERAGE AUTOMOBILE EXAMINATION VERIFICATION - COMPREHENSIVE AND/OR COLLISION COVERAGE

IF PHYSICAL DAMAGE COVERAGE IS REQUESTED, A \$1,000 LIMIT APPLIES FOR ALL SPECIAL OR CUSTOM EQUIPMENT OR ACCESSORIES. This includes but is not limited to, upgraded sound systems, wheels, tires, custom paint, or alarm systems. It applies to all extra equipment in conversion vans. This limitation includes all equipment not shown as a standard feature in automobile retail value guides for the applicable model year. Additional coverage must be requested and an additional premium charge paid.

COMPREHENSIVE AND COLLISION COVERAGES ARE SUBJECT TO APPROVAL AND ACCEPTANCE BY THE FUND BASED ON AN EXAMINATION FOR PRE-EXISTING DAMAGE. THIS FREE PRE-COVERAGE AUTOMOBILE EXAMINATION MUST BE COMPLETED USING THE FORM PROVIDED BY YOUR PRODUCER. IF COMPREHENSIVE AND/OR COLLISION COVERAGES ARE DESIRED ON A NEWLY ACQUIRED VEHICLE, THE INSPECTION MUST BE COMPLETED WITHIN FIFTEEN (15) CALENDAR DAYS OF THIS APPLICATION DATE. IF COMPREHENSIVE AND/OR COLLISION COVERAGES ARE BEING ADDED TO A VEHICLE CURRENTLY INSURED FOR LIABILITY COVERAGES BY THE FUND, THE EXAMINATION MUST HAVE BEEN COMPLETED ON OR BEFORE THE DATE COVERAGE IS DESIRED AND THE COMPLETED EXAMINATION FORM MUST ACCOMPANY THE APPLICATION FOR COVERAGE.

ENTER THE EIGHT DIGIT CONTROL NUMBER LOCATED ON THE EXAMINATION FORM.

VEH #1 _____

VEH. #2 _____

APPLICANT'S ELIGIBILITY STATEMENT

MY SIGNATURE CERTIFIES THAT THE INFORMATION IN THE BOXES CHECKED BELOW IS TRUE AND CORRECT. IF ANY OF THIS INFORMATION IS NOT FACTUAL OR IF THE PAYMENT TO BIND THIS COVERAGE IS NOT HONORED BY THE PAYER BANK, THE APPLICATION WILL BE VOID AND NO COVERAGE AFFORDED. THIS MAY MAKE ME SUBJECT TO A FINE BY THE MARYLAND MOTOR VEHICLE ADMINISTRATION (MD MVA) FOR FAILURE TO MAINTAIN INSURANCE OR POSSIBLE CRIMINAL PROSECUTION

- I am a resident of **and** principally garage my car(s) in Maryland, **and** I reside at the address shown on the application **AND**
- I own or lease the car(s) I am insuring; **AND**
- The car(s) I am insuring is currently registered in Maryland or I have obtained a non-resident permit issued by the MD MVA, **OR**
- I have a valid Maryland driver's license issued by the MD MVA

AND My automobile liability insurance has been:

- turned down by two companies as named below **OR**
- canceled or non-renewed by one company named below for a reason other than non-payment of premium.

Name of Ins Co _____

Name of Ins Co _____

Notice to Applicants: As a part of our screening process an investigative consumer report may be obtained including information regarding your residency, financial, regulatory compliance, employment background, driving record and prior insurance claim experience. All information obtained will be kept confidential by MAIF in the ordinary course of business and is not generally available for public disclosure. Upon your written request we will furnish in writing a description of the nature and scope of the investigation requested.

Signature of Applicant

Social Security Number

Date

BINDING STATEMENT BY PRODUCER

I certify that I have read the rules and regulations of MAIF and explained their provisions to the applicant. I realize that any misleading information or failure to disclose required information may result in termination of my right to bind coverages. Rewrite submission must be received by MAIF within 10 days.

SIGNATURE OF PRODUCER OF RECORD

DATE

PHONE

PRODUCER CODE

Maryland Insurance Code Section 27-406(1) provides that any person who knowingly or willfully makes a false or fraudulent statement or representation in or with reference to any application for insurance shall be guilty of a misdemeanor or a felony and, upon conviction, shall repay the value of the property taken, be subject to a penalty fine established by law and imprisonment for up to 15 years.

MAIF 60801A-3 (Rev 12/2000)