

MARTIN O'MALLEY
Governor

ANTHONY G. BROWN
Lt. Governor



RALPH S. TYLER
Commissioner

BETH SAMMIS
Deputy Commissioner

**INSURANCE
ADMINISTRATION**

525 St. Paul Place, Baltimore, Maryland 21202-2272
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December 19, 2007

The Honorable Thomas M. Middleton, Chairman
Senate Finance Committee
Miller Senate Office Building, 3 East Wing
11 Bladen Street
Annapolis, MD 21401-1991

The Honorable Dereck E. Davis, Chairman
Economic Matters Committee
House Office Building, Room 231
6 Bladen Street
Annapolis, MD 21401

Dear Chairman Middleton and Chairman Davis:

The 2002 General Assembly enacted HB 1002, Motor Vehicle Liability - Premium Increases - Consumer Information. The bill required the Insurance Commissioner, in consultation with private passenger automobile insurers, to study the feasibility of establishing an internal grievance process for the resolution of complaints regarding proposed premium increase for private passenger automobile coverage.

Since the passage of HB 1002, the General Assembly has strengthened the notice requirements for certain premium increases and the right to request a hearing at the Maryland Insurance Administration (MIA). At least forty-five (45) days before the effective date of an increase in premium due to a surcharge, reclassification of an insured or removal or reduction of a discount, the insurer must provide written notice to the insured by certified mail. The notice is not required if the increase is part of a general premium increase and does not result from a reclassification of the insured.

The Honorable Thomas M. Middleton, Chairman
The Honorable Dereck E. Davis, Chairman
December 19, 2007 - Page 2

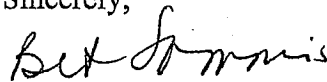
The MIA has published proposed regulations for these notice requirements. The required notice for a premium increase of 15 percent or less or more than 15 percent is attached. The notice requires disclosure of:

- The total premium for the current policy
- The policy total premium for the renewal policy
- The percentage increase for the renewal policy
- The reason for the increase
- Who to contact if the insured has questions or believes the information is incorrect
- How to file a protest with the MIA

Thus, consumers will know how much their premium is increasing and why, the person to contact to find out additional information about the increase, whether to look for other coverage, accept the increase or ask the MIA to ascertain if the premium increase is valid.

Because of the new disclosure requirement, the MIA does not recommend a new grievance process. The MIA will continue to monitor the impact of the new notice requirements and consumer complaints regarding automobile insurance premium increases.

Sincerely,



Beth Sammis
Deputy Insurance Commissioner

BS:kc

Enclosures

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	11/02/2007	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 12/7/2007

2. COMAR Codification

Title Subtitle Chapter Regulation

31 08 03 01-11

3. Name of Promulgating Authority

Maryland Insurance Administration

4. Name of Regulations Coordinator

Alexis E Gibson

Telephone Number

410-4682011

Mailing Address

525 St. Paul Place

City State Zip Code
Baltimore MD 21202

Email

agibson@mdinsurance.state.md.us

5. Name of Person to Call About this Document

Alexis E. Gibson, Regulations Coordinator

Telephone No.

(410) 468-2011

Email Address

agibson@mdinsurnace.state.md.us

6. Check applicable items:

New Regulations

Amendments to Existing Regulations

Date when existing text was downloaded from COMAR online: February 5, 2007.

Repeal of Existing Regulations

Recodification

Incorporation by Reference of Documents Requiring DSD Approval

Reproposal of Substantively Different Text:

33: 26 Md. R 2040-2044 12/22/2006

(vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: 06-396-P.

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

Yes No

If yes, corresponding proposed text published in:

same issue

future issue

previous issue; it appeared in

: Md. R

(vol.) (issue) (page no's) (date)

Under Maryland Register docket no.: --E.

8. Incorporation by Reference

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

9. Public Body - Open Meeting

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

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

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

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by J. Van Lear Dorsey, Assistant Attorney General, (telephone #(410) 468-2023) on October 31, 2007. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Ralph S. Tyler

Title

Insurance Commissioner

Date

November 2, 2007

Telephone No.

(410) 468-2090

Title 31

MARYLAND INSURANCE ADMINISTRATION

Subtitle 08 PROPERTY AND CASUALTY INSURANCE

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

Authority: Insurance Article, §§2-109, 27-613 and [27-605] 27-614, Annotated Code of Maryland

Notice of Proposed Action

□

The Insurance Commissioner proposes to amend Chapter 03 Notices of Cancellation, Nonrenewal, Premium Increase, and Reduction in Coverage of Subtitle 08 Property and Casualty Insurance.

Statement of Purpose

The purpose of this action is to ensure that all insurers issuing private passenger motor vehicle liability insurance policies in Maryland include in their notices of cancellation, nonrenewal, premium increase, or reduction in coverage, a statement concerning the insured's right to protest the proposed action of the insurer within 30 days after the date of mailing of the notice in accordance with Insurance Article, §§27-613 and 27-614, Annotated Code of Maryland.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

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

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Alexis E. Gibson, Regulations Coordinator, Maryland Insurance Administration, 525 St. Paul Place, or call (410) 468-2011, or email to agibson@mdinsurance.state.md.us, or fax to (410) 468-2020. Comments will be accepted through January 7, 2007. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2008

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

No

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

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

No funds are necessary to implement these regulations.

E. If these regulations have no economic impact under Part A, indicate reason briefly: Form filings to the MIA will increase. While it is impossible to determine how many notices would be filed, it is assumed that this could be handled with existing resources.

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

Private Passenger Automobile (PPA) Insurers would have to file to amend their PPA cancellation, non-renewal, reduction in coverage, and premium increase notices. Small business are affected only to the extent that a small business is a Private Passenger

G. Small Business Worksheet:

Attached Document:

31.08.03 (2/5/07)

Title 31 MARYLAND INSURANCE ADMINISTRATION

Subtitle 08 PROPERTY AND CASUALTY INSURANCE

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

**Authority: Insurance Article, §§2-109, 27-613 and [27-605] 27-614, Annotated Code
of Maryland**

.01 Purpose.

The purpose of this chapter is to ensure that all insurers issuing private passenger motor vehicle liability insurance policies in Maryland include in their notices of cancellation, nonrenewal, premium increase, or reduction in coverage, a statement concerning the insured's right to protest the proposed action of the insurer within 30 days after the date of mailing of the notice in accordance with Insurance Article, [§27-605] §§27-613 and 27-614, Annotated Code of Maryland, incorporated by reference.

.02 Applicability.

(text unchanged)

.03 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) - (3) (text unchanged)

(4) "MIA Form [1002-A] 1006-A" means the notice of premium increase form in Regulation [.06] .07 of this chapter that insurers may use for premium increases of 15 percent or less for an entire policy.

(5) "MIA Form [1002-B] 1006-B" means the notice of premium increase form in Regulation [.07] .08 of this chapter that insurers may use for premium increases of greater than 15 percent for an entire policy.

(6) – (8) (text unchanged)

.04 Procedure and Requirements Regarding Cancellation or Nonrenewal.

A notice of cancellation or nonrenewal sent by an insurer to its insured in accordance with Insurance Article, [§27-605] §27-613, Annotated Code of Maryland, shall be sent in triplicate by certified mail and shall, in addition to the statutory information required in the notice of cancellation or nonrenewal, include the following on the first page of the notice in 12-point bold type:

IMPORTANT

"Right of Protest"

The "Right of Protest" does not apply to cancellation or nonrenewal due to nonpayment of premium.

You may protest the action proposed by this notice as provided under Insurance Article, [§27-605] §27-613, Annotated Code of Maryland. For your protest to be duly filed you, the named insured, must sign two copies of this notice and send them to:

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

within thirty (30) days after this notice was mailed to you. If your protest is not filed within the thirty (30) days, it cannot be considered by the Insurance Administration.

(text unchanged)

[.05] .06 Procedures and Requirements Regarding an Increase in Premium.

A. Scope.

(1) (text unchanged)

(2) This regulation does not apply to an increase in premium due to:

(a)-(e) (text unchanged)

(f) A change in the age, sex or marital status of an insured.

[[f]] (g) An increase in coverage limits requested by the insured;

[[g]] (h) The addition of a driver;

[[h]] (i) The removal of a multi-policy discount;

[[i]] (j) Any request by an insured that results in a change in coverage, decrease in deductible, or other change to a policy;

[[j]] (k) The removal or reduction of a discount if the discount is not removed or reduced wholly or partly due to:

(i) An accident;

(ii) A violation of the Maryland Vehicle Law or the vehicle law of another state;

(iii) The claims history of the insured; or

(iv) A retiering of the insured;

[[k]] (l) The change or modification of a rating symbol; or

[[l]] (m) Any other cause for an increase in premium for which the Commissioner waives the notice requirement.

B. Notice.

(1) Before an insurer may increase a premium, the insurer shall comply with the notice requirements of Insurance Article, [§27-605] §27-614, Annotated Code of Maryland.

(2) The insurer shall send a notice of premium increase to its insured in [triplicate] duplicate by certificate of [mailing] mail.

C. Form of Notice.

(1) If an increase in premium is 15 percent or less for an entire policy, the insurer shall use MIA Form [1002-A] 1006-A in Regulation [.06] .07 of this chapter or a substantially similar form.

(2) If an increase in premium is greater than 15 percent for an entire policy, the insurer shall use MIA Form [1002-B] 1006-B in Regulation [.07] .08 of this chapter or a substantially similar form.

(3) If an insurer uses a form other than MIA Form [1002-A] 1006-A or MIA Form [1002-B] 1006-B, the insurer shall submit the form to the Commissioner for approval before the insurer may use the form.

(4) In order to be considered substantially similar to MIA Form [1002-A] 1006-A or MIA Form [1002-B] 1006-B, a form shall:

(a) At a minimum, contain the same information that is contained in MIA Form [1002-A] 1006-A or MIA Form [1002-B] 1006-B;

(b) Be printed in [11] 12-point word processing point size in Ariel, Universal, or another font that is as large or larger in size and spacing; and

(c) Contain the language of the "Right to Protest" section from MIA Form [1002-A] 1006-A or MIA Form [1002-B] 1006-B starting on the first page of the form.

NOTICE OF PREMIUM INCREASE (15% OR LESS)

Name and Address of Insurer:		Name and Address of Producer:	
Type of Policy:		Binder/Policy Number:	
Name and Address of Insured:	Date of Mailing	Effective Date of Increase:	
<p>[Percentage of Increase in Policy Premium Subject to this notice: _____ % (This does not include any increase in your premium due to a general rate increase or due to changes in coverage made at your request. These types of increases are not subject to this notice.)]</p> <p><u>If you have any questions regarding this increase in premium or if you believe the information contained in this notice of premium increase is incorrect, you should contact your insurance producer, agent or broker or your insurance company.</u></p>			
[Applicable Coverage]		[Dollar Amount of Increase]	

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

"Right of Protest"

You may protest the action proposed by this notice, as provided under Insurance Article, [§27-605] §27-614, Annotated Code of Maryland. For your protest to be duly filed, you must sign **[two copies] one copy** of this notice and **send the entire** notice, by mail or facsimile, within **thirty (30) days** after the above date of mailing, to:

Insurance Commissioner

Maryland Insurance Administration

525 St. Paul Place

Baltimore, Maryland 21202

Fax Number: 410-468-2334 or 410-468-2307

1. If your protest is filed late, the Insurance Commissioner will not consider your protest.

2. Your timely filed protest does **not** stay the action proposed by this notice. If you have filed a timely protest, you must continue to pay your premiums when due (**including** the amount of the proposed increase), or else your policy will expire or otherwise terminate.

3. If you have timely filed a protest of the proposed increase in premium, the Commissioner will determine whether the proposed premium increase is lawful and will notify you in writing.

4. If the Commissioner determines that your protest has merit, the increase will be disallowed. If the increase is disallowed, the insurer, within thirty (30) days of the determination, must return to you all disallowed premium and pay interest on the disallowed premium received from you calculated at a rate of ten (10) percent per annum from the date the disallowed premium was received to the date the disallowed premium was returned. If the insurer fails to return any disallowed premium and interest to the insured within thirty (30) days after the

Commissioner disallows the action of the insurer, the insurer shall pay interest on the disallowed premium calculated at a rate of twenty (20) percent per annum beginning on the thirty-first (31st) day following the disallowance of the premium increase until the date the disallowed premium is returned.

5. If the Commissioner determines that your protest is without merit, the insurer can retain the amount of premium it has already collected.

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

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

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

Signed (Named Insured) _____ Date _____ [Daytime Phone
_____]

Address _____

Daytime Phone Number _____

IMPORTANT — PLEASE READ IF BOX IS CHECKED

Offer to Exclude:

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

Individual(s) to be excluded: **Name of Individual(s):** **Effective Date**

If you agree, the policy and or coverage will be renewed with the above

named _____ **Dollar Amount**

individual(s) excluded from coverage and the premium for the renewal will be: _____

I, the named insured, agree to exclude coverage for the individual(s) named above.

Signature of Named Insured

Date of Signature

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

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

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

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

1750 Forest Drive, Annapolis, Maryland 21401 / Telephone: 800-492-7120 or

410-269-1680

[.07] .08 MIA Form [1002-B] 1006-B.

NOTICE OF PREMIUM INCREASE

(GREATER THAN 15%)

Name and Address of Insurer:	Name and Address of Producer:	
Type of Policy:	Binder/Policy Number:	
Name and Address of Insured:	Date of Mailing	Effective Date of Increase:
[Percentage of Increase in Policy Premium Subject to this notice: _____ % (This does not include any increase in your premium due to a general rate increase or due to changes in coverage made at your request. These types of increases are not subject to this notice.)]		
If you have any questions regarding this increase in premium or if you believe the information contained in this notice of premium increase is incorrect, you should contact		

your insurance
producer, agent or broker or your insurance company.

[Applicable Coverage]	[Dollar Amount of Increase]
<u>Total Premium for Current Policy</u> <u>Period:</u>	<u>Total Premium for Renewal Policy</u> <u>Period:</u>
<u>Total Amount of Increase Subject to</u> <u>Notice:</u>	\$ _____ / _____ %

This does not include any increase in your premium due to a general rate increase or due to changes in coverage made at your request. These types of increases are not subject to this notice.

The actual reason or reasons for the increase are:

"Right of Protest"

You may protest the action proposed by this notice as provided under Insurance

Article, [§27-605] §27-614, Annotated Code of Maryland. For your protest to be duly filed, you must sign **[two copies] one copy** of this notice and **send** the **entire** notice, by mail or facsimile, within **thirty (30) days** after the above date of mailing, to:

Insurance Commissioner
Maryland Insurance Administration
525 St. Paul Place
Baltimore, Maryland 21202

Fax Number: 410- 468-2334 or 410-468-2307

1. If your protest is filed late, the Insurance Commissioner will not consider your protest.
2. Your timely filed protest may result in a [stays] stay of the action proposed by this notice if the Commissioner makes a finding that the premium increase may cause you undue harm and that it is in violation of the insurer's filed rating plan. [Your insurance policy will remain in effect with the same coverages and premium that applied on the mailing date of the notice, plus any premium increase that is not subject to this notice, until a final determination is made by the Commissioner.]
3. Even though you have filed a timely protest, you must continue to pay your premium[s] when due [(except for the amount of proposed increase)], unless the Commissioner has ordered a stay of the increase, or else your policy will expire or otherwise terminate.
4. If you have timely filed a protest of the proposed increase in premium, the

Commissioner will determine whether the proposed premium increase is lawful and will notify you in writing.

5. If the Commissioner determines that your protest has merit, the increase will be disallowed. If the increase is disallowed, the insurer, within thirty (30) days of the determination, must return to you all disallowed premium and pay interest on the disallowed premium received from you calculated at a rate of ten (10) percent per annum from the date the disallowed premium was received to the date the disallowed premium was returned. If the insurer fails to return any disallowed premium and interest to the insured within thirty (30) days after the Commissioner disallows the action of the insurer, the insurer shall pay interest on the disallowed premium calculated at a rate of twenty (20) percent per annum beginning on the thirty-first (31st) day following the disallowance of the premium increase until the date the disallowed premium is returned.

6. If the Commissioner determines that your protest is without merit, the insurer may apply the proposed increase.

7. If either you or the insurer is dissatisfied with the determination of the Commissioner, you or the insurer may request a hearing within thirty (30) days after the mailing date of the determination. In the event that a hearing is requested,

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

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

you must continue to pay your premiums when [die] due, [(except for the amount of the pro
Commissioner has ordered a stay of the increase, or else your policy will expire or otherwise ter

8. If a hearing is requested, all parties will be notified in writing of the time and place of the hea
before the hearing.

9. The Commissioner shall order the insurer to pay reasonable attorney fees incurred by you fo
hearing if the Commissioner finds that: (1) the actual reason for the proposed action is not state
proposed action is not in accordance with §27-501 of the Insurance Article, the insurer's filed ra
standards, or the lawful terms and conditions of the policy related to a premium increase; and (2
maintaining or defending the proceeding was in bad faith or the insurer acted willfully in the abs

[10. If the final determination is against you, you must pay the amount of the increase from the

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

Signed (Named Insured) _____ Date _____ [Daytime Phone
Number _____]

Address: _____

Daytime phone number: _____

IMPORTANT — PLEASE READ IF BOX IS CHECKED

Offer to Exclude:

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

Individual(s) to be excluded:	Name of Individual(s):	Effective Date

If you agree, the policy and or coverage will be renewed with the above
named _____ **Dollar Amount**
individual(s) excluded from coverage and the premium for the renewal will be: _____

I, the named insured, agree to exclude coverage for the individual(s) named above.

Signature of Named Insured **Date of Signature**

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

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

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

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

1750 Forest Drive, Annapolis, Maryland 21401 / Telephone: 800-492-7120 or
410-269-1680

[.08] .05 Procedure and Requirements Regarding a Reduction in Coverage.

A notice of reduction in coverage sent by an insurer to its insured in accordance with Insurance Article, [§27-605] §27-613, Annotated Code of Maryland, shall be sent in triplicate by certificate of [mailing] mail and shall, in addition to the statutory information required in the notice of reduction in coverage, include the following on the first page of the notice in 12-point bold type:

IMPORTANT

"Right of Protest"

You may protest the action proposed by this notice as provided under Insurance Article, [§27-605] §27-613, Annotated Code of Maryland. For your protest to be duly filed you, the named insured, must sign two copies of this notice and send them to:

Insurance Commissioner
Maryland Insurance Administration
525 St. Paul Place
Baltimore, Maryland 21202

Fax Number 410-468-2334 or 410-468-2307

within thirty (30) days after this notice was mailed to you. If your protest is not filed within the thirty (30) days, it cannot be considered by the Insurance Administration.

Your timely filed protest stays the action proposed by this notice. Accordingly, your insurance policy will remain in effect with the same coverages and premium that applied on the mailing date of the notice until a determination is made by the Commissioner. In order to keep your policy in effect, however, you must timely pay any authorized premium due or becoming due before the determination is issued.

The Insurance Commissioner will determine whether your protest has merit. You will then be notified in writing whether the proposed action is disallowed or your protest is dismissed.

If the protest is dismissed, you then have the right, within thirty (30) days after the mailing date of the determination, to request a hearing.

If you request a hearing, you will be notified in writing of the time and place of the hearing at least ten (10) days before the hearing. The Commissioner shall order the insurer to pay reasonable attorney fees incurred by you for representation at the hearing if the Commissioner finds that: (1) the actual reason for the proposed action is not stated in the notice or the proposed action is not in accordance with §27-501 of the Insurance Article, the insurer's filed rating plan, its underwriting standards, or the lawful terms and conditions of the policy related to a reduction in coverage; and (2) the insurer's conduct in maintaining or defending the proceeding was in bad faith or the insurer acted willfully in the absence of a bona fide dispute.

I protest the action proposed by the insurer.

My reasons for protesting the action are:

Signed (Named Insured) _____ Date _____

Daytime Phone Number _____

31.08.03.09

.09 Statement of Actual Reason.

A. (text unchanged)

B. Contents of Statement.

[(1)] If an insurer cancels, refuses to renew, increases a premium for, or reduces coverage under a policy or binder of private passenger motor vehicle liability insurance, the statement of actual reason required by Insurance Article, [§27-605] §§27-613 or 27-614, Annotated Code of Maryland, shall include at a minimum:

[(a) If the action of the insurer is due wholly or partly to an accident or violation of the Maryland Vehicle Law or vehicle law of another state:

(i) An indication of whether the incident is an accident or violation;

(ii) The date that the accident or violation occurred;

(iii) If an accident, whether the insured was at fault or negligent; and

(iv) If a violation, the nature of the violation;

(b) If the action of the insurer is due wholly or partly to a claim other than an accident-related claim, the date that the claim occurred and a description of the claim that is the basis of the insurer's action, such as:

(i) "Theft of vehicle on [date]";

(ii) "Vandalism of vehicle on [date]"; or

(iii) "Towing claim on [date]"; or

(c) If the action of the insurer is due wholly or partly to a reason other than those described in §B(1)(a) and (b) of this regulation or to a violation of the terms and conditions of the policy or the underwriting standards of the insurer, a description of the action of the insured that is the basis of the insurer's action, such as:

(i) "Insured loans the insured vehicle to an excluded driver"; or

(ii) "Insured loans the insured vehicle to a nonlisted driver".

(2) In addition to the information required by §B(1) of this regulation, with respect to a cancellation or nonrenewal, the statement of actual reason required by Insurance Article, §27-605, Annotated Code of Maryland, shall include a

statement that the action by the insured that is the basis of the cancellation or nonrenewal violates the insurer's rating criteria or underwriting standards.]

(1) If the action of the insurer is due wholly or partly to an accident:

(a) The name of the driver;

(b) The date that the accident; and

(c) If fault is a material factor for the insurer's action, a statement that the driver was at fault.

(2) If the action of the insurer is due wholly or partly to a violation of Maryland vehicle law or the vehicle laws of another state:

(a) The name of the driver;

(b) The date of the violation; and

(c) A description of the violation.

(3) If the action of the insurer is due wholly or partly to the claims history of an insured:

(a) The date that the claim that is the basis of the insurer's action occurred; and

(b) A description of each claim, such as:

(i) "Theft of vehicle on [date]";

(ii) "Vandalism of vehicle on [date]"; or

(iii) "Towing claim on [date]"; or

(4) If the action of the insurer is due wholly or partly to a reason other than those described in §B(1) through (3) of this regulation or to a violation of the terms and conditions of the policy or the underwriting standards of the insurer, a description of the action of the insured that is the basis of the insurer's action, such as:

(a) "Insured loans the insured vehicle to an excluded driver"; or

(b) "Insured loans the insured vehicle to a non-listed driver".

C. In addition to the information required by §B of this regulation, with respect to a cancellation or nonrenewal, the statement of actual reason required by Insurance Article, §§27-613, Annotated Code of Maryland shall include a statement that the action by the insured that is the basis of the cancellation or nonrenewal violates the insurer's rating criteria or underwriting standards.

.11 Record Retention Requirements.

A. Length of Retention. An insurer that provides a notice of cancellation, nonrenewal, premium increase, or reduction in coverage pursuant to Insurance Article, [§27-605] §§27-613 or 27-614, Annotated Code of Maryland and this chapter, shall retain a copy of the notice and certificate of mailing for at least 3 years from the effective date of the notice.

B. (text unchanged)