Maryland
INSURANCE ADMINISTRATION

Auto Insurance
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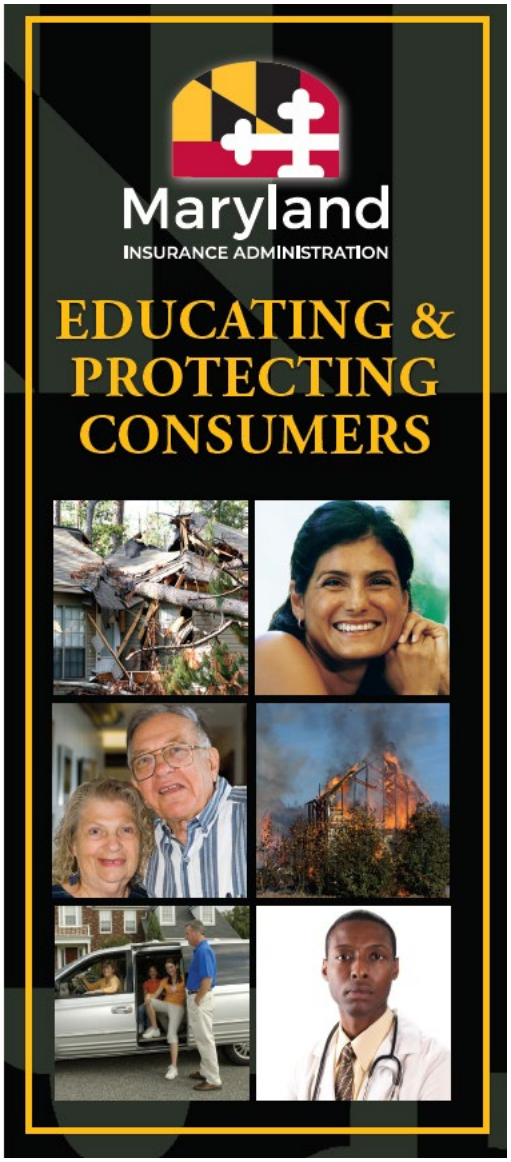
Agenda: Auto Insurance

- What is the Maryland Insurance Administration?
- What is auto insurance?
- Auto insurance coverage
- How are auto insurance premiums developed?
- Tips to reduce premiums
- Comparison shop
- Introduction to our rate guide
- If you're in an automobile accident
- Filing an auto insurance protest or complaint
- Publications available on the MIA's website
- Contact Information

What is the Maryland Insurance Administration?



The Maryland Insurance Administration (MIA) is the state agency that regulates insurance in Maryland. The MIA:

- Licenses insurers and insurance producers (agents or brokers).
- Examines the business practices of licensees to ensure compliance.
- Monitors solvency of insurers.
- Reviews/approves insurance policy forms. Reviews insurance rates to ensure rates are not inadequate, excessive or unfairly discriminatory.
- Investigates consumer and provider complaints and allegations of fraud.

Video: How the MIA can help

What is the Maryland Insurance Administration?

If you feel that your insurer or insurance producer acted improperly, you have the right to file a complaint. Examples of improper actions include:

- Improperly denying or delaying payment of all or portions of a claim;
- Improperly terminating your insurance policy;
- Raising your insurance premiums without proper notice;
- Making false statements to you in connection with the sale of insurance or processing of insurance claims; and,
- Overcharging you for services, including premium finance charges.

What is Auto Insurance?

Auto insurance is a contract between you and the insurer that protects you against financial loss. In exchange for you paying a premium, the insurer agrees to pay for certain covered losses as described in your policy.

Auto Insurance Coverage

Liability Insurance – protects policyholders and other insureds when they cause an accident. There are two types of liability coverage:

- Bodily injury liability coverage – Protects you if the driver of your car causes an accident and an injured person makes a claim or files a lawsuit against you, unless the driver of your car is excluded or does not have a reasonable belief they are entitled to drive your vehicle.

- Property damage liability – Protects you if the driver of your car causes an accident resulting in damage to someone else's property, like another vehicle or other property, such as a fence, unless the driver of your car is excluded or does not have a reasonable belief they are entitled to drive your vehicle.

Auto Insurance Coverage

Maryland law requires all registered vehicle owners to carry a minimum amount of liability coverage. The coverage required by law is:

- $30,000 for bodily injury per person
- $60,000 bodily injury per accident; and
- $15,000 property damage

Auto Insurance Coverage

Personal Injury Protection (PIP) - provides reimbursement for medical expenses arising from a motor vehicle accident for injuries to you, your passengers, or a pedestrian struck by your vehicle. It will also cover lost wages and other related expenses arising from a motor vehicle accident. Maryland law requires insurers to offer policyholders at least $2,500 in PIP. You may elect to purchase limited PIP coverage and certain individuals may be able to fully reject PIP coverage.

Auto Insurance Coverage

Uninsured Motorist (UM) coverage – protects you and other insureds under your policy's terms when an accident is caused by a driver who does not have auto insurance coverage, does not have enough liability insurance, or when the owner of the at fault vehicle cannot be identified such as in the case of a hit-and-run.

Maryland Law requires all registered vehicle owners to carry a minimum amount of UM. The coverage required by law is:

- $30,000 for bodily injury per person
- $60,000 bodily injury per accident; and
- $15,000 property damage

Auto Insurance Coverage

What happens if I have a lapse in my auto insurance coverage?

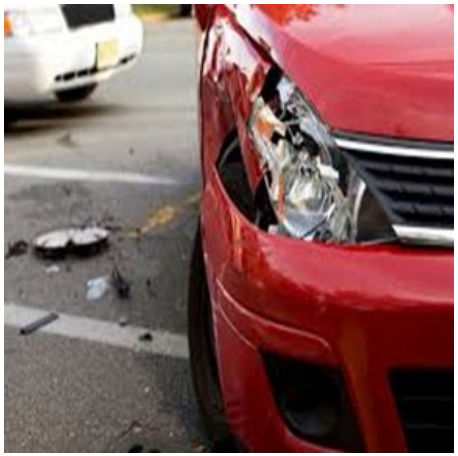
Maryland law requires that you maintain the required minimum coverage at all times while the vehicle is registered. The Motor Vehicle Administration will assess a penalty for every day that you do not maintain minimum coverage.

More details are available on the Motor Vehicle Administration's website at:

Auto Insurance Requirements in Maryland

Auto Insurance Coverage

Collision Coverage – an optional coverage that you purchase to provide for payment of property damage to your insured vehicle from a collision with another vehicle or object. If you are in an accident and have collision coverage, your insurer will pay to repair your vehicle or will pay you what your vehicle was worth right before the accident occurred if your vehicle is a total loss.



Comprehensive Coverage – pays for damage to your car resulting from causes other than a collision, like vandalism, theft, or storm damage.

Typically, both collision and comprehensive coverage have a deductible.

Auto Insurance Coverage

Does my auto insurance policy cover damage from a storm?

Only if you carry comprehensive (Comp) coverage, also known as other than collision (OTC) coverage. Collision insurance only provides coverage for damage to your vehicle if your vehicle hits, or is hit by, another vehicle or hits an object.

How are Auto Insurance Premiums Developed?

There is a wide variety of criteria considered to help the insurer in predicting the likelihood that you will be in an accident or to file a claim.

Video: How does an Auto Insurer Determine Your Premium?

- Age
- Sex
- Marital status
- Number of miles driven annually
- Driving record
- Credit history
- Purpose vehicle is being driven for (vehicle use)
- The location of where the vehicle is garaged
- Driving experience
- Claims history

Tips to Reduce Premiums

- Know the coverages you have – liability, collision, comprehensive – and know your limits and deductibles. Do these coverages and limits still make sense for your situation now?

  It's important to remember if you drop collision or comprehensive and your car is damaged in an accident you caused – or stolen or vandalized – you will be responsible for paying for the damage or replacing your vehicle. If you have a loan on your vehicle, the lender requires that you have physical damage (Collision and Comprehensive) to protect their financial interest in the vehicle.

- Shop for insurance before you purchase a new vehicle to understand the full cost of driving your new car.

Tips to Reduce Premiums

- Consider whether increasing the amount of your deductible (collision and/or comprehensive) to lower your premium would be beneficial.

- Ask your insurer whether there are any discounts that might be available to you (good driver discounts, multi-policy, multi-vehicle, protective device). Not all companies offer the same discounts.

- Have a good driving record.

- Check your credit. In Maryland, insurers may use your credit history to determine your premium when you purchase your policy subject to certain legal limitations. After you purchase your policy, your insurer cannot use your credit to raise your policy's renewal premium. Not all insurers use your credit history, but those that do must review your credit every two years, or sooner at your request, and provide you with any premium relief you are due based on an improvement in your credit situation.

Comparison Shop

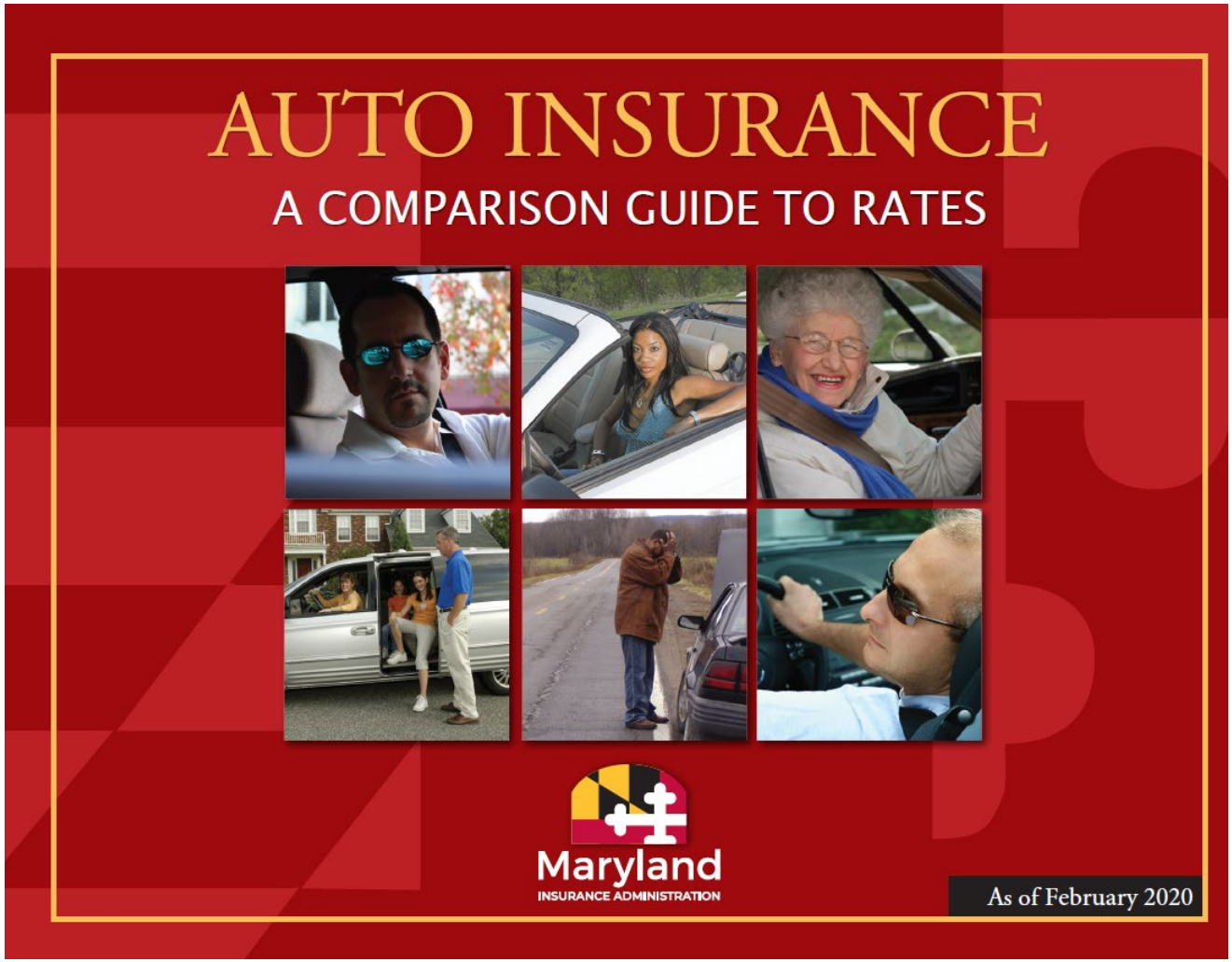
Comparison shop by looking to see if you can obtain those same coverages from another insurer at a lower cost.

- Make sure you compare policies that offer the same types of coverage with the same deductibles and coverage limits.
- Make sure the information you provide is accurate and that you provide the same information to each insurer you call.
- Ask about deductibles and when they apply.

Comparison Shop

- Ask about what is covered and what is excluded.
- Do not buy an insurance policy based solely on its price – consider the coverages, limits and the customer service, including claims service before you buy.
- Ask friends and neighbors about their experience with difference insurers

Introduction to our Rate Guide



Introduction to our Rate Guide

Scenario Descriptions

Rates shown in this guide are total annual premiums for 22 scenarios and do not account for other variables such as discounts you may qualify for
or other vehicles and age brackets. This data is provided by the carriers and is subject to change.

Scenario 10:

Single Male, Age 50. Renter.
Drives 2016 Ford F-150 XLT 4x4 4DR Crew Cab Gas 145 WB
Drives 60 miles each day total for work. Drives 25,000 miles annually.
No accidents or violations in past 3 years. Best credit history (where applicable). Receives companion policy discount.

Liability	$100,000/$300,000/$100,000
Full PIP	$2,500
UM	$100,000/$300,000/$100,000
Comprehensive	$250 deductible
Collision	$500 deductible

Scenario 11:

Single Female, Age 50. Renter.
Drives 2014 Hyundai Elantra 4DR SE WB
Drives 60 miles each day total for work. Drives 20,000 miles annually.
No accidents or violations in past 3 years. No credit history (where applicable). No companion policy discount.

Liability	$100,000/$300,000/$100,000
Full PIP	$2,500
UM	$100,000/$300,000/$100,000
Comprehensive	$250 deductible
Collision	$500 deductible

Introduction to our Rate Guide

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Scenario 22:

Family Rate -- Premiums include coverage for two vehicles and two drivers, with a multi-car discount and a companion homeowners discount (where available).

- **Married Male**, Age 65.
  Drives a 2015 Jeep Grand Cherokee Altitude 4x4
  Drives 20 miles each day total for work. Drives 20,000 miles annually.
  No accidents or violations in past 3 years. Best credit history (where applicable).

Liability	$250,000/$500,000/$100,000
Full PIP	$2,500
UM	$250,000/$500,000/$100,000
Comprehensive	$250 deductible
Collision	$500 deductible

- **Married Female**, Age 65.
  Drives a 2016 Lexus
  Does not work. Drives 5,000 miles annually.
  No accidents or violations in past 3 years. Best credit history (where applicable).

Liability	$250,000/$500,000/$100,000
Full PIP	$2,500
UM	$250,000/$500,000/$100,000
Comprehensive	$250 deductible
Collision	$500 deductible

Introduction to our Rate Guide

Western Maryland, Washington D.C. Suburbs, and Southern Maryland

Rates Effective as of 2/1/2020

* Indicates those companies that consider credit scores in determining premiums. Refer to "Notes to Rate Tables"

n/a = Carriers that do not have rates available based on the criteria in the scenario, such as an at-fault accident.

Scenario 11: Single Female, Age 50

	21502	20657	20603	21550	20878
Company	Allegany	Calvert	Charles	Garrett	Montgomery
* Agency Insurance Co.	1311	1555	2084	1426	1586
* AIG Property Casualty Co.	2664	2769	2769	2664	1820
* Allstate Indemnity Co.	2165	2697	2893	2165	2659
* American National Property & Casualty Co.	1706	2096	2472	1720	2058
* American States Preferred Insurance Co.	1709	2041	2165	1673	2089
* Amica Mutual Insurance Co.	1319	1560	1560	1319	1402
* Brethren Mutual Insurance Co.	1474	1668	1949	1473	1499
* Chubb National Insurance Co.	2083	2613	3147	2083	2744
Cincinnati Insurance Co.	1482	1625	1606	1391	1601
* CSAA General Insurance Co.	1812	2277	2582	2114	2281
* Cumberland Insurance Co. Inc.	1150	1354	1396	1150	1323
* Dairyland Insurance Co.	3496	4192	4963	3079	4808
Donegal Mutual Insurance Co.	2906	2991	3602	2906	3948
Elephant Insurance Co.	3171	3773	4727	3171	4125
* Encompass Home/Auto Insurance Co.	1261	1712	1932	1261	2126
Erie Insurance Exchange	1486	1627	2048	1486	1893
Esurance Property and Casualty Ins. Co.	2238	2352	3062	2238	2648
Farmers Insurance Exchange	2520	2778	3180	2520	3058
* Foremost Insurance Co.	2617	2903	3323	2617	3099
* Garrison Property & Casualty Ins. Co.	1723	1953	2254	1750	2049
* GEICO Casualty Co.	1039	1141	1368	1039	970
* Hartford Casualty Insurance Co.	2158	2836	2707	1658	2546
Horace Mann Insurance Co.	1052	1180	1423	1052	1115
Horace Mann Property & Casualty Ins. Co.	1396	1721	2365	1396	1971
IDS Property Casualty Ins. Co.	1134	1198	1434	1166	1210
* Integon Indemnity Corp.	2138	2268	2956	2268	2285
* LM General Insurance Co.	3572	4837	5399	3434	4602
* LM Insurance Corp.	3967	5374	6000	3813	5112
Maryland Auto Insurance Fund	3360	3258	3289	3360	3018
* Meridian Security Insurance Co.	1348	1851	2094	1360	1924

Introduction to our Rate Guide

Scenario 11: Single Female, Age 50

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* Allstate Indemnity Co.	2165	2697	2893
* American National Property & Casualty Co.	1706	2096	2472
* American States Preferred Insurance Co.	1709	2041	2165

*indicated those companies that use credit scores in determining premiums

This guide lists those companies writing the greatest number of insurance policies in Maryland. Individuals may not qualify for coverage in all companies. Affiliated insurance companies have different underwriting standards. Within a group of companies (i.e. State Farm or Allstate), consumers are placed in the affiliated company based on their risk level.

Introduction to our Rate Guide

Policy Comparison Worksheet You may use this worksheet to help gather information about insurance companies and the automobile insurance policies they sell.

Company Name →			
Telephone number			
Financing rating			
Company licensed (Yes/No)			
Discounts offered			
Annual premium			
List all vehicles and drivers			

Introduction to our Rate Guide

This brochure is available on our website at:

Auto Insurance: A Comparison Guide to Rates

or by calling us at 800-492-6116 to request a copy.

Rates are updated in the guide every February and August.

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Insurance company phone numbers and websites are available in the back of the book.

If you're in an Automobile Accident

- Dial 911 if needed and give the operator information about the incident and if any medical assistance or towing is needed.
- Take pictures or draw a diagram of the scene if it safe to do so.
- Remove the vehicle from the roadway and off to the side if possible.
- Talk to witnesses. Obtain names, addresses, and phone numbers.
- Cooperate with the police. Provide all information requested. Write down your incident/accident number and the officer's name and badge number.
- Write down the location and time of the accident. Exchange information with all involved in the accident as well as insurance information.
- Contact your insurer as soon as possible and provide all information as requested.

If you're in an Automobile Accident

Can my insurer repair my vehicle with used parts?

That depends on the specific terms of your policy. When there is property damage to an insured vehicle, most policies require the insurer to pay whichever is less – the cost to repair the vehicle or the actual cash value. The use of aftermarket or used parts in the estimation of vehicle repair costs is not prohibited by Maryland insurance law.

Unless the policy contains a provision specifying the type of parts to be used in a repair, an estimate may include original equipment manufacturer (OEM) parts, used or aftermarket parts. As the vehicle owner, you get to choose what parts go on your car; however, you may have to pay the difference out of pocket between a higher priced OEM part and an aftermarket part.

Filing an Auto Insurance Protest or Complaint

If you receive a Notice of Premium Increase or a non-renewal notice pertaining to your auto policy in Maryland, you have the right to file a protest and have your situation investigated.

Video: Protesting an Auto Rate Increase

The MIA also established a Rapid Response Program designed to help certain consumers resolve property and casualty claims (such as auto) quickly and without having to file a formal written complaint. For more information about this program, please contact us at 410-468-2340 or 800-492-6116 ext. 2340. Participation in the Rapid Response Program is voluntary and does not affect your right to file a formal complaint.

Consumers may also file a complaint by going online to the Maryland Insurance Administration's web site at www.insurance.maryland.gov. Under *Consumers*, click *File a Complaint*.

Publications Available on the MIA's Website

- A Consumer Guide to Auto Insurance
- Tips on Shopping for Automobile Insurance
- Understanding your Automobile Insurance Declarations Page
- Auto Insurance: A Comparison Guide to Rates (Feb 2020)
- An Insurance Preparedness Guide for Natural Disasters

Contact Information

Maryland Insurance Administration

800-492-6116 or 410-468-2000

www.insurance.maryland.gov

Motor Vehicle Administration

(410) 768-7000

mva.maryland.gov

Questions?