

Title 31 MARYLAND INSURANCE ADMINISTRATION

Subtitle 08 PROPERTY AND CASUALTY INSURANCE

Chapter 15 Underwriting Period

Authority: Insurance Article, §§2-109, 11-205, 11-306, 12-106, and 19-406, Annotated Code of Maryland

.04 Discovery of Material Risk Factor During Underwriting Period.

A. – B. (text unchanged)

C. Reason for Increase or Reduction in Premium.

(1) In stating the [reason] *reasons* for the increase or reduction in the premium, the insurer shall [: (a) Identify] *identify* each material risk factor that was discovered during the 45-day underwriting period[;] and, [(b) With respect to] *for* each material risk factor, [explain with specificity] *provide an explanation* why the material risk factor required the premium to be recalculated in language that is reasonably understandable to the average policyholder.

(2) *Examples of acceptable reasons required by §C(1) of this regulation include, but are not limited to:*

(a) *Premium recalculated due to [NAME OF DRIVER] moving violation on [DATE OF EVENT]*

(b) *Safe driver discount removed due to [NAME OF DRIVER] at fault loss on [DATE OF EVENT].*

(c) *[NAME OF DRIVER] was not listed on the application. Policy must be re-rated or signed driver exclusion must be completed.*

(d) *Applicant does not currently have an automobile policy with the Company, Multi Policy Discount removed.*

(e) *Policy was issued without the auto/home discount.*

(f) *Premium recalculated due to lack of a central alarm system.*

[(2)] (3) (text unchanged)

D. Form of Notice.

(1) (text unchanged)

(2) *If an insurer utilizes a form other than the one contained in Regulation .05 of this chapter, the form shall:*

(a) *Include a statement that the insured may contact the insurer or, if applicable, the insured's insurance producer for additional information concerning the reason for the insurer's action and how the action affected the premium charged; and*

(b) *Provide the telephone number and, if applicable, the electronic mail address for the insurer that the insured may use to obtain additional information about the insurer's action or in lieu of the insurer's contact information, provide the telephone number and, if applicable, the electronic mail address for the insured's insurance producer.*

[(2)] (3) (text unchanged)

E. Delivery of Notice.

(1) An insurer that is required to provide a written notice under §B of this regulation shall send the notice to the policyholder not later than the end of the 45-day underwriting period by:

(a) [Certificate of mailing] *First-class mail tracking method*; or

(b) Delivery by electronic means in accordance with Insurance Article, §27-601.2, Annotated Code of Maryland.

(2) (text unchanged)

.05 Notice of Recalculated Premium Form.

See Form at end of chapter.