



**BRANCH
INSURANCE**



September 27, 2021

To Whom this may concern,

Thank you for taking the time to review Branch Insurance's comments regarding the recently proposed amendments to **COMAR 31.08.04 -- .06 and .10 under COMAR 31.08.03 Notices of Cancellation, Nonrenewal, Premium Increase, and Reduction in Coverage.**

We are seeking clarification with regard to the amendments revising section **31.08.06 Procedures and Requirements Regarding and increase in Premium** by adding subsection **A(2)(v)**, which read as follows:

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

(v) The application of a program that measures the operation of an insured vehicle during the current policy period as referenced in Insurance Article, 11-318, Annotated Code of Maryland.

Under the proposed amendments, it is unclear whether insurers who offer a discount to insureds who opt in to a telematics program that is subsequently removed or reduced on the basis of driving behavior are obligated to provide the premium increase notice pursuant to COMAR 31.08.06.

The following are hypothetical scenarios where it is unclear if an insurer would be required to send such premium increase notices. Each may result in the removal or reduction of a telematics-based discount that an insured received in a preceding policy term:

1. One driver is removed from a policy covering multiple insureds, and the average driving score is lowered, resulting in a reduced telematics discount;
2. At the first renewal, an insured's initial or introductory discount is removed from the policy and the insured's driving score does not result in an equivalent or better discount, resulting in a net lower discount as compared to the prior policy period;
3. At a renewal, an insured receives a lower driving score, causing a reduction in the discount.

Thank you for your consideration of our comments. We look forward to your response(s) with regard to this proposal.

Best,

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