C49lr2360

By: Delegate Washington

AN ACT concerning

Introduced and read first time: February 8, 2019

Assigned to: Economic Matters

A BILL ENTITLED

$\frac{2}{3}$	Motor Vehic	ele Insurance – Dis	scrimination : Territor	rwriting	g and Ratii	ng – Use of
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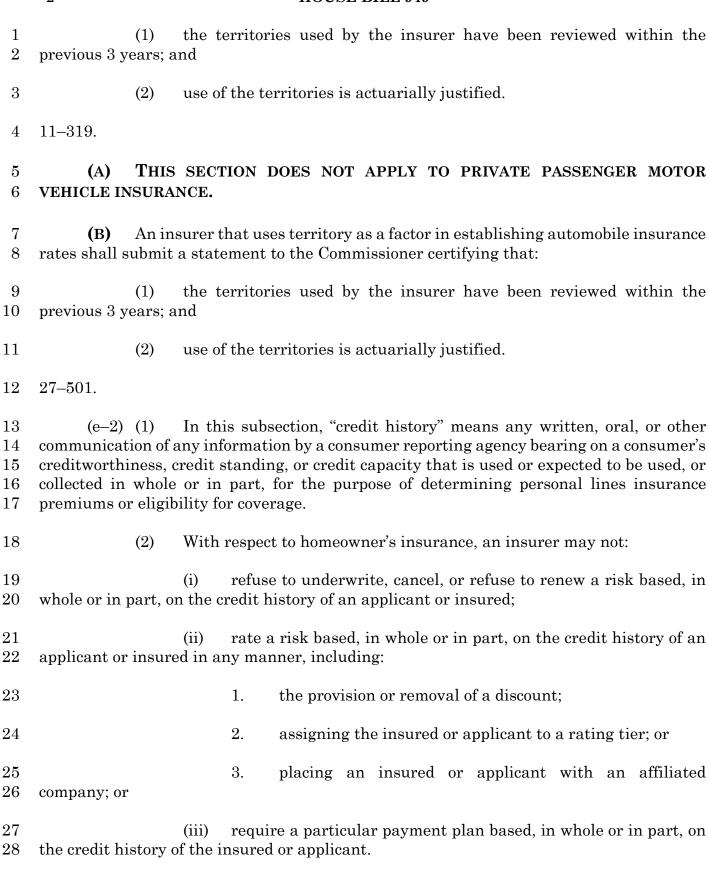
FOR the purpose of altering the scope of certain provisions on the use of territory as a factor 4 5 in establishing certain automobile insurance rates; prohibiting an insurer, with 6 respect to private passenger motor vehicle insurance, from refusing to underwrite, 7 canceling, refusing to renew, rating a risk, or increasing a renewal premium based 8 wholly or partly on the territory of the insured or applicant; providing for the 9 application of this Act; and generally relating to underwriting and automobile insurance. 10

- 11 BY repealing and reenacting, with amendments,
- Article Insurance 12
- Section 11–216, 11–319, and 27–501(e–2) 13
- Annotated Code of Maryland 14
- 15 (2017 Replacement Volume and 2018 Supplement)
- 16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 17 That the Laws of Maryland read as follows:
- Article Insurance 18
- 11-216. 19

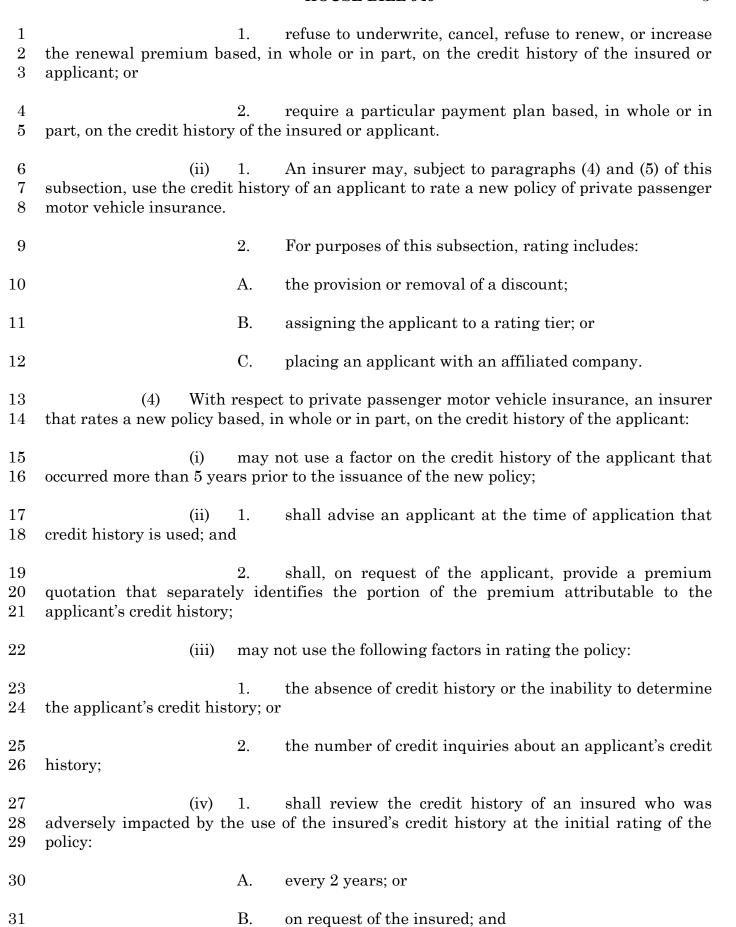
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- 20 (A) THIS SECTION DOES NOT APPLY TO PRIVATE PASSENGER MOTOR 21 VEHICLE INSURANCE.
- 22 An insurer that uses territory as a factor in establishing automobile insurance 23 rates shall submit a statement to the Commissioner certifying that:





29 (3) (i) With respect to private passenger motor vehicle insurance, an 30 insurer may not:



1 2 3	2. shall adjust the premium of an insured whose credit history was reviewed under this subparagraph to reflect any improvement in the insured's credit history; or
$\frac{4}{5}$	$% \left(v\right) =-\left(v\right) \left(v\right) =-\left(v\right) \left(v\right) $ shall disclose to the applicant at the time of the issuance of a policy that the insurer is required to:
6 7 8	1. review the credit history of an insured who was adversely impacted by the use of the insured's credit history at the initial rating or underwriting of the policy:
9	A. every 2 years; or
10	B. on request of the insured; and
11 12	2. adjust the premium of an insured whose credit history was reviewed to reflect any improvement in the insured's credit history.
13 14 15	(5) With respect to private passenger motor vehicle insurance, an insurer that rates a new policy based, in whole or in part, on the credit history of the applicant may, if actuarially justified, provide a discount of up to 40% or impose a surcharge of up to 40%.
16 17 18	(6) With respect to private passenger motor vehicle insurance, an insurer may not increase the premium for an insured who becomes a surviving spouse based solely on the insured's change in marital status.
19 20 21 22	(7) WITH RESPECT TO PRIVATE PASSENGER MOTOR VEHICLE INSURANCE, AN INSURER MAY NOT REFUSE TO UNDERWRITE, CANCEL, REFUSE TO RENEW, RATE A RISK, OR INCREASE THE RENEWAL PREMIUM BASED WHOLLY OR PARTLY ON THE TERRITORY OF THE INSURED OR APPLICANT.
23 24 25	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2019, and shall apply to all policies of automobile insurance offered, issued, or delivered in the State on or after January 1, 2020.