

CHAPTER 610

(Senate Bill 553)

AN ACT to add new Section 482B to REPEAL AND RE-ENACT SECTION 240B OF Article 48A of the Annotated Code of Maryland (1968 Supplement), title "Insurance Code," subtitle "Casualty Insurance," to follow immediately after Section 482A thereof, to provide for uniform rates for policies of casualty insurance of like coverage, "UNFAIR TRADE PRACTICES," TO REQUIRE INSURANCE COMPANIES TO GIVE THE REASONS FOR THE CANCELLATION OF AN INSURER'S FIRE INSURANCE POLICY.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That new Section 482B be and it is hereby added to SECTION 240B OF Article 48A of the Annotated Code of Maryland (1968 Supplement), title "Insurance Code," subtitle "Casualty Insurance," to follow immediately after Section 482A thereof, and "UNFAIR TRADE PRACTICES," BE AND IT IS HEREBY REPEALED AND RE-ENACTED to read as follows:

~~482B.~~

Every insurer doing business in this State shall charge uniform rates approved by the State Insurance Commissioner, for policies of casualty insurance, including fire insurance, of like coverage.

240B.

IF A POLICY OR CONTRACT OF MOTOR VEHICLE LIABILITY INSURANCE OR FIRE INSURANCE WHICH HAS BEEN IN EFFECT FOR AT LEAST SIXTY DAYS, IS CANCELLED OR NONRENEWED, FOR A REASON OTHER THAN NONPAYMENT OF PREMIUM, THE INSURANCE COMPANY OR ITS DULY AUTHORIZED AGENT SHALL NOTIFY THE INSURED IN THE CANCELLATION NOTICE THAT HE HAS A RIGHT TO REQUEST THE REASON FOR CANCELLATION. IF THE REQUEST FOR A REASON IS MADE WITHIN THIRTY (30) DAYS PRIOR TO THE DATE OF THE PROPOSED CANCELLATION OR EXPIRATION OF THE POLICY, AS THE CASE MAY BE, THE COMPANY SHALL GIVE THE ACTUAL REASON OR REASONS RELIED UPON BY IT FOR THE CANCELLATION OR NONRENEWAL AND SHALL FILE A COPY OF THIS STATEMENT OF THE REASON OR REASONS WITH THE INSURANCE COMMISSIONER. THE EXPLANATION SHALL BE PRIVILEGED AND SHALL NOT CONSTITUTE GROUNDS FOR ANY ACTION AGAINST THE INSURER OR REPRESENTATIVES OR ANY FIRM, PERSON, OR CORPORATION WHO OR WHICH IN GOOD FAITH FURNISHES TO THE INSURER THE INFORMATION UPON WHICH THE REASONS ARE BASED. THE PROVISIONS OF THIS SECTION DO NOT APPLY TO POLICIES OF LIABILITY INSURANCE ISSUED UNDER THE MARYLAND AUTOMOBILE INSURANCE PLAN.

SEC. 2. *And be it further enacted,* That this Act shall take effect July 1, 1969.

Approved May 14, 1969.