

*this State, as to any resident of the household of the named insured, for any reason other than nonpayment of premium, or (ii) increase a premium for any coverage on any such policy unless the increase is part of a general increase in premiums approved by the Commissioner and does not result from a reclassification of the insured, or (iii) reduce the coverage under any such policy unless the reduction is part of a general reduction in coverage approved by the Commissioner or to satisfy the requirements of Sections 539 through 542 541 of this Article, inclusive, except in accordance with the provisions of this section.*

*(b) An insurer intending to take an action subject to the provisions of this section shall, on or before forty-five days prior to the proposed effective date of the action, send written notice BY CERTIFIED MAIL of its intended action to the insured at his last known address. The notice shall be in triplicate, and shall state in clear and specific terms, on a form approved by the Commissioner:*

*(i) the proposed action to be taken, including, if the action is an increase in premium or reduction in coverage, the amount of increase and the type of coverage to which it is applicable, or the type of coverage reduced and the extent of the reduction;*

*(ii) the proposed effective date of the action;*

*(iii) the insurer's actual reason or reasons for proposing to take such action. The statement of reasons shall be sufficiently clear and specific so that a person of average intelligence can identify the basis for the insurer's decision, without making further inquiry. Generalized terms such as "personal habits", "living conditions", "poor morale", or "violation or accident record" shall not suffice to meet the requirements of this section;*

*(iv) if there is coupled with the notice an offer to continue or renew the policy in accordance with Section 240C hereof, the name of the person or persons to be excluded from coverage, and what the premium would be if the policy is continued or renewed with such person or persons excluded from coverage;*

*(v) the right of the insured to replace the insurance through the Maryland Automobile Insurance Fund; and the current address and telephone number of the Fund;*

*(vi) the right of the insured to protest the proposed action and request a hearing thereon before the Commissioner by signing two copies of the notice and sending them to the Commissioner within ten days after receipt of the notice.*

*(vii) that if a protest is filed by the insured, the current insurance will remain in effect until a determination is made by the Commissioner upon payment of any lawful premium due or becoming due prior to the determination;*

*(viii) the authority of the Commissioner to award reasonable counsel fees to the insured for services rendered to the insured in connection with any such hearing if he finds the proposed action of the insurer to be unjustified.*

*(c) Any statement of reasons contained in the notice given pursuant to subsection (b)(iii) hereof shall be privileged and shall not constitute grounds for any action against the insurer or its representatives or any person who in good faith furnishes to the insurer the information upon which the statement is based.*