

(5) The reason given must be sufficiently clear and specific so that an applicant of reasonable intelligence will be able to identify the basis for the insurer's decision without making further inquiry. Generalized terms such as personal habits, living conditions, poor morals, violation or accident record, are not adequate to meet this requirement.

~~(e) Applicability to availability programs~~ (E) APPLICABILITY TO AVAILABILITY PROGRAMS.—The provisions of this section shall apply to ~~the Maryland automobile insurance plan~~, the Maryland property insurance availability program, and to any other plans which may be instituted to assure availability of insurance, unless explicitly excluded.

240C-1. Exclusion of named driver.

(a) *In any case where an insurer is authorized under this article to cancel or non-renew or increase the premiums on an automobile liability insurance policy under which more than one person is insured because of the claim experience or driving record of one or more but less than all of the persons insured under the policy, the insurer shall in lieu of cancellation, non-renewal, or premium increase offer to continue or renew the insurance, but to exclude from coverage, by name, the person or persons whose claim experience or driving record would have justified the cancellation or non-renewal. The premiums charged on any such policy excluding a named driver or drivers shall not reflect the claims, experience or driving record of the excluded named driver or drivers.*

(b) *With respect to any person excluded from coverage under this section, the policy may provide that the insurer shall not be liable for damages, losses, or claims arising out of this operation or use of the insured motor vehicle, whether or not such operation or use was with the express or implied permission of a person insured under the policy.*

240D. Liability for coverage of insurer violating Sections 240A, 240AA, 240B, and 240C

If an insurer fails to comply with any provision of Sections 240A, 240AA, 240B, or 240C, such insurer shall be liable to the applicant for the coverage which was requested, or which would have become effective except for the failure to comply with this section, unless the person seeking coverage no longer wishes the coverage, has obtained other substantially equivalent coverage, or fails to tender or pay the premium after reasonable demand therefor has been made. Such liability is in addition to any other penalties applicable pursuant to law.

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(c) **Making of rates.**—All rates shall be made in accordance with the following principles:

(1) Due consideration shall be given to (i) past and prospective loss experience within and outside this State; (ii) conflagration and catastrophe hazards, if any; (iii) past and prospective expenses both countrywide and those specially applicable to this State; (iv) underwriting profit; (v) contingencies; (vi) investment income from unearned premium reserve and reserve for losses; (vii) dividends, sav-