

defining his rate classifications.

BY repealing and re-enacting, with amendments,

Article 48A - Insurance Code
Section 242(c) (4)
Annotated Code of Maryland
(1972 Replacement Volume and 1973 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section 242(c) (4) of Article 48A - Insurance Code, of the Annotated Code of Maryland (1972 Replacement Volume and 1973 Supplement) be and it is hereby repealed and re-enacted, with amendments, to read as follows:

Article 48A - Insurance Code

242.

(4) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. The standards may measure any difference among risks that can be demonstrated objectively to have a direct and substantial effect upon losses or expenses. However, no rate may be based partially or entirely on geographic area itself, as opposed to underlying risk considerations, even though expressed in geographic terms.

[[THE]] ANY INSURER PROVIDING A PRIVATE PASSENGER AUTOMOBILE INSURANCE POLICY [[, OR AGENT OR BROKER WRITING THE INSURANCE,]] SHALL PROVIDE THE POLICYHOLDER AT THE TIME OF ISSUANCE OR RENEWAL WITH A STATEMENT DEFINING HIS RATE CLASSIFICATIONS. THE STATEMENT SHALL BE SUFFICIENTLY CLEAR AND SPECIFIC SO THAT A PERSON OF AVERAGE INTELLIGENCE CAN IDENTIFY THE CLASSIFICATIONS WITHOUT MAKING FURTHER INQUIRY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect [[July 1, 1974]] January 1, 1975.

Approved May 31, 1974.