

decision rendered in the consolidated cases captioned Insurance Commissioner of Maryland, et al. v. Allstate Insurance Company and Insurance Commissioner of Maryland v. Aetna Casualty and Surety Company, 268 Md. 428 (March 28, 1973), while acknowledging that control of underwriting by insurance companies is "subject to modification by a valid statutory provision" (268 Md. at 441), has interpreted the provisions of Section 234A (a) of Article 48A of the Annotated Code of Maryland (1972 Replacement Volume) which provide that:

"No insurer, agent or broker shall cancel or refuse to underwrite or renew a particular risk or class of risk for any reason based in whole or in part upon race, color, creed or sex of an applicant or policyholder or for any arbitrary, capricious, or unfairly discriminatory reason."

as follows:

"It is clear...that the principal thrust of this legislation was directed toward any action of an insurer in failing to underwrite or renew a particular risk or class of risk for any reason based in whole or in part upon race, color, creed or sex of an applicant or policyholder (or) for any arbitrary, capricious or unfairly discriminatory reason like those specifically mentioned, including, but not restricted to, religion, national origin, place of residency or other similar irrelevant considerations. In short, the General Assembly intended to broaden the scope of 'arbitrary, capricious or unfairly discriminatory reason,' but within the frame of reference of the specifically mentioned 'reasons'." 268 Md. at 442 (apparent omission added);

WHEREAS, The General Assembly of Maryland has determined that the general welfare of the People of Maryland in the vital area of insurance requires that all underwriting decisions of insurers and insurance agents and brokers, with regard to both eligibility and acceptability of applicants for insurance and insureds, be made solely on the basis of a reasonable application to relevant facts of underwriting principles, standards and rules that can be demonstrated objectively to measure the probability of a direct and substantial adverse effect upon losses or expenses of the insurer in light of the approved rating plan or plans of the insurer then in effect, and that the general welfare of the People of Maryland in the vital area of insurance is insufficiently assured and inadequately promoted merely upon a showing by insurers and insurance agents and brokers that their underwriting decisions are made without reasons based in