

whole or in part upon such irrelevant considerations as race, color, religion or creed, sex, national origin or place of residency and the like;

WHEREAS, The General Assembly of Maryland has determined further that the general welfare of the People of Maryland in the vital area of insurance requires that, in those particular instances where the underwriting decisions of insurers and insurance agents and brokers, with regard to both eligibility and acceptability of applicants for insurance and insureds, are to be examined upon demand by applicants for insurance or insureds, since the sole reasonable basis of those decisions lies exclusively within the actual loss and expense experience of the insurers as extrapolated and projected through the expertise of their personnel, and since applicants for insurance and insureds, as members of the general public, generally and for the most part have neither adequate experience nor sufficient expertise to demonstrate any lack of reasonableness in those decisions, of necessity the burden of persuasion as to the reasonableness of those decisions must be placed upon the insurers and the insurance agents and broker; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section 234A(a) 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- Insurance Code, of the Annotated Code of Maryland (1972 Replacement Volume and 1973 Supplement) be and it is hereby repealed and re-enacted, with amendments, to read as follows: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

234A.

(a) No insurer, agent or broker shall cancel or refuse to underwrite or renew a particular insurance 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. In the case of a cancellation of or refusal to renew a policy, provided the insured requests of the Commissioner that a review be undertaken of the insurer's action prior to the effective date of termination of the policy, and provided the Commissioner initiates action toward issuance of a finding in accord with § 234C, such policy shall remain in effect until such finding is issued. NO INSURER, AGENT OR BROKER MAY CANCEL OR REFUSE TO UNDERWRITE OR RENEW A PARTICULAR INSURANCE RISK OR CLASS OF RISK EXCEPT BY THE APPLICATION OF STANDARDS WHICH [[MAY BE DEMONSTRATED OBJECTIVELY TO HAVE A DIRECT AND SUBSTANTIAL EFFECT UPON LOSSES OR EXPENSES]] ARE REASONABLY RELATED TO THE INSURER'S ECONOMIC AND BUSINESS PURPOSES. AT ANY