

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2006.

Approved May 2, 2006.

CHAPTER 350

(House Bill 760)

AN ACT concerning

Insurance - Private Passenger Motor Vehicle Liability Insurance - Cancellations, Failures to Renew, Reductions in Coverage, and Premium Increases

FOR the purpose of providing that certain insurers may cancel, fail to renew, or reduce coverage under a binder or policy of private passenger motor vehicle insurance under certain circumstances; altering the contents of a certain notice of proposed action; requiring an insurer's statement of actual reason for a proposed action to include a brief statement of the basis for the action; specifying the minimum contents of the statement; altering the circumstances under which the Maryland Insurance Commissioner is prohibited from disallowing a proposed action of an insurer; repealing a provision of law that authorizes the Commissioner to adopt certain regulations; altering a certain burden of proof; providing that a notice of premium increase for private passenger motor vehicle liability insurance may be included in a renewal offer or policy; providing for the form and contents of the notice; authorizing an insured to protest certain premium increases and request a certain hearing under certain circumstances; establishing the criteria the Commissioner must use in dismissing a protest or disallowing the proposed action of an insurer; authorizing the Commissioner to order a stay of a premium increase under certain circumstances; prohibiting the Commissioner from dismissing a protest under certain circumstances; altering the amount of interest an insurer is required to pay to an insured under certain circumstances; authorizing the Maryland Insurance Administration to establish a certain pilot program; requiring the Administration to report to certain committees of the General Assembly on the pilot program on or before a certain date; making conforming and stylistic changes; providing for the application of this Act; providing for a delayed effective date; and generally relating to private passenger motor vehicle liability insurance.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 27-605

Annotated Code of Maryland

(2002 Replacement Volume and 2005 Supplement)

BY adding to