

Article – Insurance

Section 27–605.1

Annotated Code of Maryland

(2002 Replacement Volume and 2005 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Insurance

27–605.

(a) [In this section, “increase in premium” and “premium increase” include an increase in the premium for any coverage on a policy due to:

- (1) a surcharge;
- (2) retiering or other reclassification of an insured; or
- (3) removal or reduction of a discount.]

(1) THIS SECTION APPLIES ONLY TO PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE.

(2) THIS SECTION DOES NOT APPLY TO THE MARYLAND AUTOMOBILE INSURANCE FUND.

(b) (1) [Except in] IN accordance with this [article] SECTION, with respect to a policy of PRIVATE PASSENGER motor vehicle liability insurance or a binder of PRIVATE PASSENGER motor vehicle liability insurance, if the binder has been in effect for at least 45 days, issued in the State to any resident of the household of the named insured, an insurer [other than the Maryland Automobile Insurance Fund] may [not]:

(i) cancel or fail to renew the policy or binder [for a reason other than nonpayment of premium]; OR

(ii) [increase a premium for any coverage on the policy; or

(iii)] reduce coverage under the policy.

(2) Notwithstanding paragraph (1) of this subsection, the requirements of this section do not apply if:

(i) [the premium increase described in paragraph (1)(ii) of this subsection is part of a general increase in premiums approved by the Commissioner and does not result from a reclassification of the insured;

(ii)] the reduction in coverage described in paragraph [(1)(iii)] (1)(II) of this subsection is part of a general reduction in coverage approved by the Commissioner or satisfies the requirements of Title 19, Subtitle 5 of this article; or

[(iii)] (II) the failure to renew the policy takes place under a plan of withdrawal that: