

(4) THE COMMISSIONER MAY NOT DISMISS A PROTEST SOLELY BECAUSE OF THE INSURED'S FAILURE TO STATE A REASON THAT THE INSURED BELIEVES THE PREMIUM INCREASE IS INCORRECT.

(F) (1) IF THE COMMISSIONER DISALLOWS A PREMIUM INCREASE FOR THE ENTIRE POLICY, THE INSURER, WITHIN 30 DAYS AFTER THE DISALLOWANCE, SHALL:

(I) RETURN TO THE INSURED ALL DISALLOWED PREMIUM RECEIVED FROM THE INSURED; AND

(II) PAY TO THE INSURED INTEREST ON THE DISALLOWED PREMIUM RECEIVED FROM THE INSURED CALCULATED AT 10% A YEAR FROM THE DATE THE DISALLOWED PREMIUM WAS RECEIVED TO THE DATE THE DISALLOWED PREMIUM WAS RETURNED.

(2) IF AN INSURER FAILS TO RETURN ANY DISALLOWED PREMIUM AND INTEREST TO THE INSURED AS PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION WITHIN 30 DAYS AFTER THE COMMISSIONER DISALLOWS THE ACTION OF THE INSURER, THE INSURER SHALL PAY INTEREST ON THE DISALLOWED PREMIUM CALCULATED AT 20% A YEAR BEGINNING ON THE 31ST DAY FOLLOWING THE DISALLOWANCE TO THE DATE THE DISALLOWED PREMIUM IS RETURNED.

~~(2)~~ (3) IF AN INSURER FAILS TO RETURN ANY DISALLOWED PREMIUM OR FAILS TO PAY INTEREST TO AN INSURED IN VIOLATION OF ~~PARAGRAPH (1)~~ PARAGRAPHS (1) AND (2) OF THIS SUBSECTION, THE INSURER IS SUBJECT TO THE PENALTIES UNDER § 4-113(D) OF THIS ARTICLE.

(G) A PARTY TO A PROCEEDING UNDER THIS SECTION MAY APPEAL THE DECISION OF THE COMMISSIONER IN ACCORDANCE WITH § 2-215 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) The Maryland Insurance Administration may establish a pilot program for the purpose of reducing the number of protests filed under this Act.

(b) Participation by insurers and insureds in the pilot program shall be voluntary.

(c) The pilot program may require participating insurers to provide certain information and assistance to consumers who request information about premium increases.

(d) On or before January 1, 2008, the Maryland Insurance Administration shall report to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2-1246 of the State Government Article, on the implementation and results of the pilot program.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act applies to all private passenger motor vehicle liability binders and policies issued or renewed on or after the effective date of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 2007.