

(4) Dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders or members or subscribers;

(5) Past and prospective expenses, both countrywide and those specially applicable to this State;

(6) Investment income earned or realized by insurers both from their unearned premium and from their loss reserve funds; and

(7) All relevant factors within and outside this State.

(c) As to the kinds of insurance to which this subtitle applies:

(1) The systems of expense provisions included in the rates for use by an insurer or group of insurers may differ from those of any other insurers or groups of insurers to reflect the requirements of the operating methods of the insurer or group of insurers with respect to any kind of insurance, or with respect to any subdivision or combination of insurance for which separate expense provisions are applicable; and

(2) (i) Risks may be grouped by classifications for the establishment of rates and minimum premiums.

(ii) Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both.

(iii) The standards may measure any difference among risks that have had a direct and substantial effect upon losses or expenses.

(iv) Notwithstanding any other provision of this paragraph, no rate may be based partially or entirely on geographic area itself, as opposed to underlying risk considerations, even though expressed in geographic terms.

(d) (1) Any insurer providing a private passenger automobile insurance policy shall provide the policyholder at the time of issuance or renewal with a statement that:

(i) Defines the policyholder's rate classifications; and

(ii) In the case of a licensed insurer, includes a summary, in a format approved by the Commissioner, of the licensed insurer's approved surcharge plan or driver record point plan for that policy.

(2) The statement shall be sufficiently clear and specific so that a person of average intelligence can identify the classifications without making further inquiry.

(e) All rates shall be made in accordance with the following special principles:

(1) (i) An insurer under an automobile liability insurance policy may not classify or maintain an insured in a classification entailing a higher premium because of a specific claim for a period longer than 3 years, and an insurer may not classify or maintain an insured in a classification entailing a higher premium because of the insured's driving record for a period longer than 3 years.