

THE STANDARDS SET FORTH IN THIS SECTION APPLY TO THE MAKING AND USE OF RATES UNDER THIS SUBTITLE.

(B) EXCESSIVE, INADEQUATE, OR UNFAIRLY DISCRIMINATORY RATES.

(1) RATES MAY NOT BE:

(I) EXCESSIVE OR INADEQUATE, AS DEFINED UNDER THIS SUBTITLE; OR

(II) UNFAIRLY DISCRIMINATORY.

(2) EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, A RATE MAY NOT BE HELD TO BE EXCESSIVE UNLESS:

(I) THE RATE IS UNREASONABLY HIGH FOR THE INSURANCE PROVIDED; AND

(II) THE COMMISSIONER HAS ISSUED A RULING UNDER § 11-308(C) OF THIS SUBTITLE THAT A REASONABLE DEGREE OF COMPETITION DOES NOT EXIST IN A MARKET TO WHICH THE RATE IS APPLICABLE.

(3) A RATE MAY NOT BE HELD TO BE INADEQUATE UNLESS:

(I) THE RATE IS UNREASONABLY LOW FOR THE INSURANCE PROVIDED AND CONTINUED USE OF THE RATE WOULD ENDANGER THE SOLVENCY OF THE INSURER; OR

(II) THE RATE IS UNREASONABLY LOW FOR THE INSURANCE PROVIDED AND THE USE OF THE RATE BY THE INSURER HAS HAD, OR IF CONTINUED WILL HAVE, THE EFFECT OF DESTROYING COMPETITION OR OF CREATING MONOPOLY.

(4) FOR PERSONAL LINES PROPERTY INSURANCE AND CASUALTY INSURANCE, THE COMMISSIONER MAY HOLD A STATEWIDE RATE OR A RATE IN A PARTICULAR JURISDICTION OR GEOGRAPHIC TERRITORY TO BE EXCESSIVE WITHOUT DETERMINING WHETHER A REASONABLE DEGREE OF COMPETITION EXISTS UNDER § 11-308(C) OF THIS SUBTITLE IF THE COMMISSIONER DETERMINES THAT THE RATE:

(I) IS UNREASONABLY HIGH FOR THE INSURANCE PROVIDED; AND

(II) IS NOT ACTUARIALLY JUSTIFIED BASED ON COMMONLY ACCEPTED ACTUARIAL PRINCIPLES.

(5) IF THE COMMISSIONER DETERMINES THAT A RATE IS EXCESSIVE UNDER PARAGRAPH (4) OF THIS SUBSECTION AND DISAPPROVES THE RATE, THE DISAPPROVAL IS SUBJECT TO § 11-308 (C)(4), (D), AND (E) OF THIS SUBTITLE.

(C) FACTORS TO BE CONSIDERED.