

## Article 48A - Insurance Code

240AA.

(a) Except in accordance with the provisions of this article, no insurer other than the Maryland Automobile Insurance Fund shall (i) cancel or fail to renew a policy of motor vehicle liability insurance or a binder of motor vehicle liability insurance, if the binder is in effect for 45 days or longer, issued in this State, as to any resident of the household of the named insured, for any reason other than nonpayment of premium, or (ii) increase a premium for any coverage on any such policy unless the increase is part of a general increase in premiums approved by the Commissioner and does not result from a reclassification of the insured, or (iii) reduce the coverage under any such policy unless the reduction is part of a general reduction in coverage approved by the Commissioner or to satisfy the requirements of §§ 539 through 541 of this article, inclusive, OR (IV) FAIL TO RENEW A POLICY OF MOTOR VEHICLE LIABILITY INSURANCE, UNLESS:

1. THE NONRENEWAL TAKES PLACE UNDER A PLAN OF WITHDRAWAL APPROVED BY THE INSURANCE COMMISSIONER UNDER § 240A OF THIS ARTICLE; AND

2. A. THE APPROVED PLAN OF WITHDRAWAL PROVIDES THAT EACH INSURED AFFECTED BY THE PLAN OF WITHDRAWAL SHALL BE SENT A WRITTEN NOTICE BY CERTIFICATE OF MAILING AT LEAST 45 DAYS BEFORE THE NONRENEWAL OF THE INSURED'S POLICY; AND

B. THE NOTICE STATES THE DATE THE INSURED'S POLICY WILL BE NONRENEWED AND THAT THE NONRENEWAL IS THE RESULT OF THE INSURER'S WITHDRAWAL FROM THE MARKET.

(b) An insurer intending to take an action subject to the provisions of this section shall, on or before 45 days prior to the proposed effective date of the action, send written notice of its intended action to the insured at his last known address. A written notice of cancellation or nonrenewal shall be sent by certified mail. All other notices of action subject to the provisions of this section shall be sent by certificate of mailing. The notice shall be in triplicate, and shall state in clear and specific terms, on a form approved by the Commissioner:

(1) The proposed action to be taken, including, if the action is an increase in premium or reduction in coverage, the amount of increase and the type of coverage to which it is applicable, or the type of coverage reduced and the extent of the reduction;

(2) The proposed effective date of the action;