

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

Article 48A - Insurance Code

~~240K.~~

~~(A) EVERY INSURER ISSUING A POLICY OF PRIVATE PASSENGER MOTOR VEHICLE LIABILITY INSURANCE IN THIS STATE SHALL INCLUDE AS PART OF THE POLICY OR AS PART OF THE BILLING PROCESS A SUMMARY OF THE INSURER'S APPROVED SURCHARGE PLAN FOR THAT POLICY.~~

~~(B) THE SUMMARY REQUIRED UNDER THIS SECTION SHALL:~~

~~(1) BE IN A FORM APPROVED BY THE COMMISSIONER;~~

~~(2) CLEARLY AND CONCISELY EXPLAIN THE INSURER'S SURCHARGE PLAN, INCLUDING ALL INDIVIDUAL SURCHARGE FACTORS; AND~~

~~(3) NOTIFY THE INSURED OF THE POTENTIAL EFFECT THAT THE SURCHARGE PLAN COULD HAVE ON THE INSURED'S RATE.~~

~~(C) ONCE AN INSURER HAS PROVIDED THE INSURED A SUMMARY AS PROVIDED UNDER SUBSECTION (A) OF THIS SECTION, THE INSURER NEED ONLY SEND A SUBSEQUENT COPY OF THE SUMMARY TO THE INSURED WHEN THERE IS A CHANGE IN THE SURCHARGE PLAN.~~

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

(4) (I) Risks may be grouped by classifications for the establishment of rates and minimum premiums. 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. The standards may measure any difference among risks that are demonstrated objectively to the Commissioner to have had a direct and substantial effect upon losses or expenses. However, no rate may be based partially or entirely on geographic area itself, as opposed to underlying risk considerations, even though expressed in geographic terms.

(II) 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:

A. [defining his] DEFINES THE POLICYHOLDERS' POLICYHOLDER'S rate classifications; AND