

~~underwrite homeowner's and private passenger automobile motor vehicle insurance under certain circumstances; specifying that certain standards that relate to a certain purpose do not require certain statistical validation under certain circumstances; requiring insurers to disclose certain information to applicants and insureds if the insurer takes into consideration certain factors for purposes of canceling or refusing to renew or underwrite a policy; providing for the application of this Act; providing for the termination of this Act; and generally relating to standards that insurers are prohibited from using in the cancellation or refusal to renew or underwrite certain for canceling or refusing to renew homeowner's insurance and private passenger motor vehicle insurance.~~

BY repealing and reenacting, with amendments,

Article - Insurance

Section 27-501

Annotated Code of Maryland

(1997 Volume)

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

Article - Insurance

27-501.

(a) (1) An insurer, agent, or broker may not cancel or refuse to underwrite or renew a particular insurance risk or class of risk for a reason based wholly or partly on race, color, creed, sex, or blindness of an applicant or policyholder or for any arbitrary, capricious, or unfairly discriminatory reason.

(2) ~~As~~ EXCEPT AS PROVIDED IN THIS SECTION, AN insurer, agent, or broker may not cancel or refuse to underwrite or renew a particular insurance risk or class of risk except by the application of standards that are reasonably related to the insurer's economic and business purposes.

~~(3) THE FOLLOWING STANDARDS ARE NOT REASONABLY RELATED TO AN INSURER'S ECONOMIC AND BUSINESS PURPOSES UNDER THIS SUBSECTION:~~

~~(i) FOR HOMEOWNER'S INSURANCE, THE CANCELLATION OR THE REFUSAL TO UNDERWRITE OR RENEW BECAUSE OF TWO OR FEWER CLAIMS MADE BY THE INSURED OR APPLICANT WITHIN A 3-YEAR PERIOD FOR LOSSES RESULTING FROM WEATHER-RELATED EVENTS; AND~~

~~(ii) FOR PRIVATE PASSENGER AUTOMOBILE INSURANCE, THE CANCELLATION OR REFUSAL TO UNDERWRITE OR RENEW DUE TO TWO OR FEWER CLAIMS MADE BY THE INSURED OR APPLICANT WITHIN A 3-YEAR PERIOD FOR LOSSES WHERE THE INSURED OR APPLICANT IS DETERMINED TO NOT BE AT FAULT FOR THE LOSS.~~

~~(4) (i) THE COMMISSIONER SHALL ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SUBSECTION.~~