

Title 31 MARYLAND INSURANCE ADMINISTRATION

Subtitle 08 PROPERTY AND CASUALTY INSURANCE

Chapter 03 Notices of Cancellation, Nonrenewal, Premium Increase, and Reduction in Coverage

Authority: Insurance Article, §§2-109, 11-318, 27-609, 27-613, and 27-614, Annotated Code of Maryland

.04 Procedure and Requirements Regarding Cancellation or Nonrenewal.

A notice of cancellation or nonrenewal sent by an insurer to its insured in accordance with Insurance Article, §27-613, Annotated Code of Maryland, shall be sent [in triplicate] by certified mail and shall, in addition to the statutory information required in the notice of cancellation or nonrenewal, include the following on the first page of the notice in 12-point bold type:

**IMPORTANT
"Right of Protest"**

The "Right of Protest" does not apply to cancellation or nonrenewal due to nonpayment of premium.

You may protest the action proposed by this notice as provided under Insurance Article, §27-613, Annotated Code of Maryland. For your protest to be duly filed you, the named insured, must sign a copy of this notice and send it to:

Insurance Commissioner
Maryland Insurance Administration
200 St. Paul Place
Suite 2700
Baltimore, Maryland 21202
Fax Number [410-468-2334 or] 410-468-2307

within thirty (30) days after this notice was mailed to you. If your protest is not filed within the thirty (30) days, it cannot be considered by the Insurance Administration. Instead of mailing or faxing the signed notice, you may file your protest online via the Maryland Insurance Administration's website (www.insurance.maryland.gov) by uploading a signed copy at the following link:

<https://enterprise.insurance.maryland.gov/consumer/ConsumerPortalWelcomePage.aspx>

Your timely filed protest stays the action proposed by this notice. Accordingly, your insurance policy will remain in effect with the same coverages and premium that applied on the mailing date of the notice until a determination is made by the Commissioner. In order to keep your policy in effect, however, you must timely pay any authorized premium due or becoming due before the determination is issued.

The Insurance Commissioner will determine whether your protest has merit. You will then be notified in writing whether the proposed action is disallowed or your protest is dismissed.

If the protest is dismissed, you then have the right, within thirty (30) days after the mailing date of the determination, to request a hearing.

If you request a hearing, you will be notified in writing of the time and place of the hearing at least ten (10) days before the hearing. The Commissioner shall order the insurer to pay reasonable attorney fees incurred by you for representation at the hearing if the Commissioner finds that: (1) the actual reason for the proposed action is not stated in the notice or the proposed action is not in accordance with §27-501 of the Insurance Article, the insurer's filed rating plan, its underwriting standards, or the lawful terms and conditions of the policy related to a cancellation or nonrenewal; and (2) the insurer's conduct in maintaining or defending the proceeding was in bad faith or the insurer acted willfully in the absence of a bona fide dispute.

I protest the action proposed by the insurer.

My reasons for protesting the action are:

Signed (Named Insured) _____ Date _____

Daytime Phone Number _____

.05 Procedure and Requirements Regarding a Reduction in Coverage.

A notice of reduction in coverage sent by an insurer to its insured in accordance with Insurance Article, §27-613, Annotated Code of Maryland, shall be sent [in triplicate] by certificate of mail and shall, in addition to the statutory information required in the notice of reduction in coverage, include the following on the first page of the notice in 12-point bold type:

IMPORTANT
"Right of Protest"

You may protest the action proposed by this notice as provided under Insurance Article, §27-613, Annotated Code of Maryland. For your protest to be duly filed you, the named insured, must sign a copy of this notice and send it to:

Insurance Commissioner
Maryland Insurance Administration
200 St. Paul Place
Suite 2700
Baltimore, Maryland 21202
Fax Number [410-468-2334 or] 410-468-2307

within thirty (30) days after this notice was mailed to you. If your protest is not filed within the thirty (30) days, it cannot be considered by the Insurance Administration. Instead of mailing or faxing the signed notice, you may file your protest online via the Maryland Insurance Administration's website (www.insurance.maryland.gov) by uploading a signed copy at the following link:

<https://enterprise.insurance.maryland.gov/consumer/ConsumerPortalWelcomePage.aspx>

Your timely filed protest stays the action proposed by this notice. Accordingly, your insurance policy will remain in effect with the same coverages and premium that applied on the mailing date of the notice until a determination is made by the Commissioner. In order to keep your policy in effect, however, you must timely pay any authorized premium due or becoming due before the determination is issued.

The Insurance Commissioner will determine whether your protest has merit. You will then be notified in writing whether the proposed action is disallowed or your protest is dismissed.

If the protest is dismissed, you then have the right, within thirty (30) days after the mailing date of the determination, to request a hearing.

If you request a hearing, you will be notified in writing of the time and place of the hearing at least ten (10) days before the hearing. The Commissioner shall order the insurer to pay reasonable attorney fees incurred by you for representation at the hearing if the Commissioner finds that: (1) the actual reason for the proposed action is not stated in the notice or the proposed action is not in accordance with §27-501 of the Insurance Article, the insurer's filed rating plan, its underwriting standards, or the lawful terms and conditions of the policy related to a reduction in coverage; and (2) the insurer's conduct in maintaining or defending the proceeding was in bad faith or the insurer acted willfully in the absence of a bona fide dispute.

I protest the action proposed by the insurer.

My reasons for protesting the action are: _____

Signed (Named Insured) _____ Date _____

Daytime Phone Number _____

.06 Procedures and Requirements Regarding an Increase in Premium.

A. Scope.

(1) (text unchanged)

(2) This regulation does not apply to an increase in premium due to:

(a) – (j) (text unchanged)

(k) The removal or reduction of a discount [if] *unless* the discount is [not] removed or reduced wholly or partly due to:

(i) – (ii) (text unchanged)

(iii) The claims history of the insured; [or]

(iv) A retiering of the insured; *or*

(v) *The application of a program that measures the operation of an insured vehicle during the current policy period as referenced in Insurance Article §11-318, Annotated Code of Maryland;*

(l) – (n) (text unchanged)

B. Notice.

(1) (text unchanged)

(2) The insurer shall send a notice of premium increase to its insured [in duplicate by certificate of] *using a first class mail tracking method.*

C. (text unchanged)

.10 Record Retention Requirements.

A. Length of Retention. An insurer that provides a notice of cancellation, nonrenewal, premium increase, or reduction in coverage pursuant to Insurance Article, §§27-613 or 27-614, Annotated Code of Maryland, and this chapter, shall retain a copy of the notice and [certificate of mailing] *its proof of mailing* for at least 3 years from the effective date of the notice.

B. Form of Records. An insurer may maintain a copy of a notice and [certificate of mailing] *the proof of mailing* required to be retained by §A of this regulation in paper, photographic, microprocessed, magnetic, mechanical, electronic, digital, or any other medium, if the copy of the notice and [certificate of mailing] *proof of mailing* are maintained in a manner that:

(1) – (4) (text unchanged)