

**[Md. Code, Ins. §§ 11-205 and 11-212.]**

§§ 11-205 and 11-212: Prior Approval Rate Making -- Part II. Rate Making - in General

§ 11-205. Rate market principles

- (a) All rates shall be made in accordance with the principles set forth in this section.
- (b) Uniformity among insurers in matters within the scope of this subtitle is neither required nor prohibited.
- (c) Due consideration shall be given to:
  - (1) past and prospective loss experience within and outside the State;
  - (2) conflagration and catastrophe hazards, if any;
  - (3) past and prospective expenses, both countrywide and those specially applicable to the State;
  - (4) underwriting profits;
  - (5) contingencies;
  - (6) investment income from unearned premium reserve and reserve for losses;
  - (7) dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to policyholders; and
  - (8) all other relevant factors within and outside the State.
- (d) Rates may not be excessive, inadequate, or unfairly discriminatory.
- (e) The systems of expense provisions included in the rates for use by an insurer or group of insurers may differ from those of other insurers or groups of insurers to reflect the requirements of the operating methods of the insurer or group with respect to a kind of insurance, or with respect to a subdivision or combination of kinds of insurance for which separate expense provisions are applicable.
- (f)(1) Risks may be grouped by classifications for the establishment of rates and minimum premiums.
- (2) Classification rates may be modified to produce rates for individual risks in accordance with rating plans that establish standards for measuring variations in hazards or expense provisions, or both.
- (3) The standards may measure any difference among risks that are demonstrated objectively to the Commissioner to have had a direct and substantial effect on losses or expenses.
- (4) Notwithstanding any other provision of this subsection, a rate may not be based wholly or partly on geographic area itself, as opposed to underlying risk considerations, even though expressed in geographic terms.
- (g) For fire insurance rates, consideration shall be given to experience during a period of not less than the most recent 5-year period for which experience is available.

§ 11-212. Requests for review by aggrieved persons

- (a) Each filer shall provide reasonable means within the State by which a person aggrieved by the application of its rating system may be heard in person or by an authorized representative on the person's written request to review the manner in which the rating system has been applied in connection with the insurance afforded the aggrieved person.
- (b) If the filer fails to grant or reject the aggrieved person's request within 30 days after it is made, the applicant may proceed as if the application had been rejected.
- (c) Within 30 days after written notice of the action of a filer on a request for review, any person affected by the action may appeal to the Commissioner.
- (d)(1) The Commissioner shall hold a hearing on the action of the filer.
- (2) The Commissioner shall give written notice of the hearing to the appellant and filer at least 10 days before the hearing.
- (3) After the hearing, the Commissioner may affirm or reverse the action.