

# MARYLAND LAWS AND REGULATIONS ON INSURANCE PREMIUM

## *LAWS:*

### **§27-601.**

(a) In this subtitle the following words have the meanings indicated.

(b) (1) “Commercial insurance” means property insurance or casualty insurance issued to an individual, a sole proprietor, partnership, corporation, limited liability company, or similar entity and intended to insure against loss arising from the business pursuits of the insured entity.

(2) “Commercial insurance” does not include:

- (i) policies issued by the Maryland Automobile Insurance Fund;
- (ii) policies issued by the Joint Insurance Association;
- (iii) workers’ compensation insurance; or
- (iv) title insurance.

(c) (1) “Personal insurance” means property insurance or casualty insurance issued to an individual, trust, estate, or similar entity that is intended to insure against loss arising principally from the personal, noncommercial activities of the insured.

(2) “Personal insurance” does not include:

- (i) motor vehicle liability insurance policies subject to § 27-613 of this subtitle;
- (ii) policies issued by the Maryland Automobile Insurance Fund;
- (iii) policies issued by the Joint Insurance Association; or
- (iv) surety insurance.

### **§27-601.1.**

(a) For purposes of this subtitle, with respect to policies of personal insurance, private passenger motor vehicle liability insurance, commercial insurance, and workers’ compensation insurance, the issuance by an insurer of a new policy to replace an expiring policy issued by that insurer is a renewal.

(b) For purposes of this subtitle, with respect to policies of personal insurance, private passenger motor vehicle liability insurance, commercial insurance, and workers' compensation insurance, the issuance by an insurer of a new policy to replace an expiring policy issued by another admitted insurer within the same insurance holding company system, as defined in § 7-101 of this article, is a renewal if:

- (1) the policyholder's premium does not increase; and
- (2) the policyholder does not experience a reduction in coverage.

## **§27-610.**

(a) (1) This section applies only to policies of personal insurance and private passenger motor vehicle liability insurance policies subject to § 27-613 of this subtitle.

(2) Unless an insurer has provided notice of its intention not to renew a policy in compliance with this subtitle, the insurer must provide each policyholder with notice of renewal premium due at least 45 days before the due date.

(3) If a policyholder is being transferred between admitted insurers within the same insurance holding company system, as defined in § 7-101 of this article, the notice required under paragraph (2) of this subsection shall include disclosure of the transfer.

(4) A licensed insurance producer may provide notice under paragraph (2) of this subsection on behalf of the insurer.

(5) The duty to provide notice under paragraph (2) of this subsection is deemed discharged if:

- (i) the insurer shows that its established procedures would have resulted in placing the notice of renewal premium due in the United States mail; and
- (ii) there is no showing that in fact the notice was not placed in the mail.

(b) If an insurer fails to provide notice of renewal premium due under subsection (a) of this section, and subsequently the policyholder fails to make timely payment of the renewal premium, the insurer must:

- (1) provide coverage for each claim that:
  - (i) would have been covered under the policy; and
  - (ii) arises within 45 days after the date the insured discovers or should have discovered that the policy was not renewed; and
- (2) renew the policy on tender of payment within 30 days after the policyholder discovers or should have discovered that the policy was not renewed.

## **§27-612.**

(a) (1) If an insurer fails to comply with any provision of § 27-602, § 27-603, § 27-604, § 27-605, § 27-606, § 27-607, § 27-608, § 27-610, or § 27-613 of this subtitle, the insurer is liable to the applicant for the coverage that was requested, or that would have become effective except for the failure to comply with these provisions, unless the person seeking coverage:

(i) no longer wishes the coverage;  
(ii) has obtained other substantially equivalent coverage; or  
(iii) fails to tender or pay the premium after reasonable demand for the premium has been made.

(2) The liability of an insurer under paragraph (1) of this subsection is in addition to any other penalties applicable by law.

(b) Liability for coverage does not apply to failure to comply with § 27-611 of this subtitle, as it relates to motor vehicle liability insurance.

## **§27-212.**

(a) This section does not apply to life insurance, health insurance, and annuities.

(b) Except to the extent provided for in an applicable filing with the Commissioner as provided by law, an insurer, employee or representative of an insurer or insurance producer may not pay, allow, give, or offer to pay, allow, or give directly or indirectly as an inducement to insurance or after insurance has become effective:

- (1) a rebate, discount, abatement, credit, or reduction of the premium stated in the policy;
- (2) a special favor or advantage in the dividends or other benefits to accrue on the policy; or
- (3) any valuable consideration or other inducement not specified in the policy.

(c) An insured named in a policy or an employee of the insured may not knowingly receive or accept directly or indirectly a rebate, discount, abatement, credit, reduction of premium, special favor, advantage, valuable consideration, or inducement described in subsection (b) of this section.

(d) Except as otherwise provided by law, a person may not knowingly offer, promise, or give any valuable consideration not specified in the policy, except for educational materials, promotional materials, or articles of merchandise that cost no more than \$25, regardless of whether a policy is purchased.

(e) (1) An insurer may not make or allow unfair discrimination between insureds or properties having like insuring or risk characteristics in:

- (i) the premium or rates charged for insurance;
- (ii) the dividends or other benefits payable on the insurance; or
- (iii) any of the other terms or conditions of the insurance.

(2) Notwithstanding any other provision of this section, an insurer may not make or allow a differential in ratings, premium payments, or dividends for a reason based on the sex, physical handicap, or disability of an applicant or policyholder unless there is actuarial justification for the differential.

- (f) This section does not prohibit an insurer from:
- (1) paying commissions or other compensation to licensed insurance producers; or
  - (2) allowing or returning to its participating policyholders, members, or subscribers lawful dividends, savings, or unabsorbed premium deposits.

## **§27-216.**

(a) A person may not willfully collect a premium or charge for insurance if the insurance is not then provided, or is not in due course to be provided subject to acceptance of the risk by the insurer, in a policy issued by an insurer as authorized by this article.

(b) (1) A person may not willfully collect a premium or charge for insurance that:

- (i) exceeds or is less than the premium or charge applicable to that insurance under the applicable classifications and rates as filed with and approved by the Commissioner; or
- (ii) if classifications, premiums, or rates are not required by this article to be filed with and approved by the Commissioner, exceeds or is less than the premium or charge specified in the policy and set by the insurer.

(2) Paragraph (1) of this subsection does not prohibit:

- (i) a surplus lines broker that holds a certificate of qualification under Title 3, Subtitle 3 of this article from charging and collecting applicable State and federal taxes in addition to the required premium;
- (ii) a life insurer from charging and collecting the amount actually expended for a medical examination of an applicant for life insurance or reinstatement of a policy of life insurance;
- (iii) an insurance producer from charging a fee, not exceeding 15% of the premium, for services rendered in replacing insurance in an insurer if commissions are not payable by the insurer; or
- (iv) a fund producer from charging and collecting, as actual expenses incurred in placing automobile insurance with the Maryland Automobile Insurance Fund:
  1. a maximum charge of \$10 plus \$1 more than the actual charge by the Motor Vehicle Administration for a driving record required to be presented with the application, unless otherwise provided by the Fund; or
  2. the amount provided in subsection (e) of this section.

(3) (i) Subject to subparagraphs (ii), (iii), (iv), and (v) of this paragraph, paragraph (1) of this subsection does not prohibit an authorized insurer from charging and collecting, if approved by the Commissioner, reasonable installment fees or reasonable fees for late payment of premiums by policyholders or both.

(ii) The Commissioner:

1. shall review administrative expenses submitted by an authorized insurer that are associated with late payments or installment payments; and
2. may approve a late fee or installment fee not to exceed \$10.

(iii) A late fee may not be imposed:

1. during any grace period required by law or regulation on a policy of insurance; or
2. if no grace period is required by law or regulation on a policy of insurance, until 2 business days after the date the payment amount becomes due.

(iv) An authorized insurer shall credit each payment received from an insured to the premium owed by the insured before crediting the payment to a late fee or installment fee owed by the insured.

(v) A policy of insurance may not be canceled for the failure to pay a single late fee or single installment fee.

(c) An insurer may not raise the policy limits of coverage, if the effect could be an increase in the premium without the prior consent of the insured.

(d) (1) Notwithstanding subsection (a) of this section, a surplus lines broker that holds a certificate of qualification under Title 3, Subtitle 3 of this article may charge a reasonable policy fee on a policy issued by a surplus lines insurer not exceeding:

(i) \$100 on each personal lines policy procured by a licensed insurance producer not affiliated with or controlled by the surplus lines broker and to whom the surplus lines broker pays a commission; or

(ii) \$250 on each commercial lines policy procured by a licensed insurance producer not affiliated with or controlled by the surplus lines broker and to whom the surplus lines broker pays a commission.

(2) A surplus lines broker that holds a certificate of qualification under Title 3, Subtitle 3 of this article and a license as an insurance producer under Title 10, Subtitle 1 of this article may charge a reasonable policy fee on a policy issued by an authorized insurer not exceeding \$250 on each commercial lines policy procured by a licensed insurance producer not affiliated with or controlled by the surplus lines broker and to whom the surplus lines broker pays a commission.

(3) The policy fee charged in accordance with this subsection must be reasonably related to the cost of underwriting, issuing, processing, and servicing the policy by the surplus lines broker for the surplus lines insurer or the authorized insurer.

(4) Notwithstanding subsection (a) of this section, a surplus lines broker that holds a certificate of qualification under Title 3, Subtitle 3 of this article may recoup from the prospective insured the actual cost of an inspection required for the placement of surplus lines insurance with a surplus lines insurer if:

(i) the inspection is required by the surplus lines insurer;

(ii) the cost of the inspection is actually incurred by the surplus lines broker and not retained by the surplus lines broker; and

(iii) the cost of the inspection is documented and verifiable.

(5) A surplus lines broker that holds a certificate of qualification under Title 3, Subtitle 3 of this article and a license as an insurance producer under Title 10, Subtitle 1 of this article may recoup from the prospective insured the actual cost of an inspection required for the placement of insurance with an authorized insurer if:

(i) the inspection is required by the authorized insurer;

(ii) the cost of the inspection is actually incurred by the surplus lines

broker and not retained by the surplus lines broker; and

(iii) the cost of the inspection is documented and verifiable.

(6) Regardless of the number of insurers participating on a risk:

(i) only one inspection fee may be charged to recoup the actual cost of an inspection under paragraph (4) or (5) of this subsection for each policy or certificate of coverage; and

(ii) only one policy fee may be charged under paragraph (1) or (2) of this subsection for each policy or certificate of coverage.

(7) On a form approved by the Commissioner, the surplus lines broker shall:

(i) make a clear and conspicuous written disclosure of:

1. any inspection fee;

2. the total amount of the policy fee;

3. the premium tax on the policy;

4. any financial interest in the person performing the inspection, if applicable; and

5. whether the surplus lines broker will receive compensation from the person that performs the inspection; and

(ii) notify the prospective insured of the option to obtain the inspection from another person who meets the requirements of or is approved by the surplus lines insurer.

(e) (1) (i) In this subsection, “accident history report” means a report that details an individual’s accident history.

(ii) “Accident history report” includes a comprehensive loss underwriting exchange automobile report (CLUE report).

(iii) “Accident history report” does not include a report that details an individual’s credit standing or history.

(2) (i) The Maryland Automobile Insurance Fund may sponsor a fund producer or premium finance company registered under Title 23 of this article for the purpose of obtaining accident history reports directly from a person that provides accident history reports.

(ii) When placing automobile insurance through the Fund, a fund producer or premium finance company sponsored by the Fund under this paragraph may obtain accident history reports directly from a person that provides accident history reports.

(3) Unless provided otherwise by the Fund, a person that provides accident history reports to a fund producer or premium finance company sponsored by the Fund under paragraph (2) of this subsection shall direct all billing for the reports to the fund producer or premium finance company.

(4) Subsection (b)(1) of this section does not prohibit a fund producer or premium finance company from charging and collecting actual expenses that are imposed by a person for providing accident history reports under this subsection in connection with the placement of automobile insurance through the Fund.

(f) In addition to any other sanction otherwise applicable, a person that violates subsection (b)(1) of this section with regard to a bail bond is subject to a penalty not exceeding \$5,000 for each violation.

## **§19–209.**

(a) (1) An insurer that issues a policy of homeowner’s insurance may not adopt an underwriting standard that requires a deductible that exceeds 5% of the “Coverage A – Dwelling Limit” of the policy in the case of a hurricane or other storm, unless:

(i) the insurer has filed the underwriting standard for approval by the Commissioner; and

(ii) the Commissioner has approved the underwriting standard in writing.

(2) The filing required by paragraph (1) of this subsection shall:

(i) be made at least 60 days before the insurer proposes to implement the underwriting standard in the State; and

(ii) include any information required by the Commissioner, including:

1. a copy of the underwriting standard the insurer proposes to implement;
2. the data relied on by the insurer in developing the underwriting standard; and
3. the date on which the insurer intends to implement the underwriting standard.

(3) An underwriting standard subject to this subsection may not take effect until 60 days after it is filed with the Commissioner.

(4) During the initial 60–day waiting period, the Commissioner may extend the waiting period for an additional period, not to exceed 60 days, by written notice to the insurer that the Commissioner needs additional time for consideration of the filing.

(5) A filing is deemed approved unless disapproved by the Commissioner during the waiting period or any extension of the waiting period.

(6) If the Commissioner finds that compliance with paragraph (3) or (4) of this subsection would result in impairment of the insurer or a significant financial loss to the insurer, the Commissioner may allow an insurer to implement its underwriting standard establishing a deductible at the percentage indicated in the filing within 60 days after the filing of the underwriting standard.

(7) An underwriting standard subject to this subsection shall comply with all applicable laws.

(b) If an insurer has adopted an underwriting standard that requires a deductible equal to a percentage of the “Coverage A – Dwelling Limit” of the policy in the case of a hurricane or other storm, the deductible may only be applicable beginning at the time the National Hurricane Center of the National Weather Service issues a hurricane warning for any part of the State where the insured’s home is located and ending 24 hours following the termination of the last hurricane warning issued for any part of the State in which the insured’s home is located.

(c) (1) An insurer that has adopted an underwriting standard that requires a deductible equal to a percentage of the “Coverage A – Dwelling Limit” of the policy in the case of a hurricane or other storm shall provide a policyholder with an annual statement explaining the manner in which the deductible is applied.

(2) The insurer shall send a copy of the form used to provide the notice required under paragraph (1) of this subsection to the Commissioner prior to its use.

(d) The Commissioner may adopt regulations to implement the provisions of this section.

## **§19–210.**

(a) An insurer shall offer at least one actuarially justified premium discount on a policy of homeowner’s insurance to a policyholder who submits proof of improvements made to the insured premises as a means of mitigating loss from a hurricane or other storm.

(b) Means of mitigating loss include:

(1) the installation of one or more of the following:

- (i) hurricane shutters;
- (ii) secondary water barrier;
- (iii) reinforced roof coverings;
- (iv) braced gable ends;
- (v) reinforced roof to wall connections;
- (vi) tie downs; and
- (vii) reinforced opening protections;

(2) repair or replacement of:

- (i) exterior doors, including garage doors;
- (ii) hurricane resistant trusses, studs, and other structural components; and
- (iii) repair or replacement of manufactured home piers, anchors, and tie down

straps; and

(3) any mitigation effort that materially mitigates loss from a hurricane or other storm otherwise covered under the policy.

(c) Improvements made to the insured premises under this section shall be inspected by a contractor licensed by the Department of Labor, Licensing, and Regulation.

(d) (1) An insurer shall be allowed to inspect the improvements that are the basis of a premium discount under this section.

(2) (i) Verification of improvements that are the basis of a premium discount under this section rests with the insurer.

(ii) An insurer may accept an inspection certificate issued by a governmental agency as verification of improvements that are the basis of a premium discount under this section.

(e) A premium discount offered under this section shall:

(1) comply with the provisions of Title 11 of this article; and

(2) only be offered for improvements identified by the Commissioner as qualified mitigation actions made to the insured premises that may materially mitigate loss from a hurricane or other storm otherwise covered under the policy.

(f) (1) An insurer that offers a premium discount under this section shall provide a policyholder with an annual statement regarding the availability of the discount and the method of applying for the discount.

(2) The notice required under paragraph (1) of this subsection may be sent with the statement required under § 19–205 of this subtitle.

(g) The Commissioner may adopt regulations to implement the provisions of this section.

## **MARYLAND REGULATIONS ON INSURANCE** **PREMIUM**

### ***COMAR 31.15.11***

#### ***.01 Purpose.***

##### **A. Enactment of Legislation on Use of Credit History.**

(1) During the 2002 Session, the General Assembly enacted House Bill 521 which became Ch. 580, Acts 2002.

(2) With respect to homeowner's insurance, Ch. 580, Acts of 2002 prohibits an insurer from using credit history to underwrite or rate a risk or require a particular payment plan.

(3) With respect to private passenger motor vehicle insurance, Ch. 580, Acts of 2002, prohibits an insurer from using credit history to underwrite a risk, increase a renewal premium, or require a particular payment plan and restricts the manner in which an insurer may use credit history to rate a new private passenger motor vehicle policy.

##### **B. Purpose of Chapter. The purpose of this chapter is to:**

(1) Implement Ch. 580, Acts of 2002;

(2) Clarify the steps an insurer or insurance producer is required to take to determine if an applicant or insured has credit history after an initial inquiry fails to generate a credit report, credit score, or other credit history;

(3) Codify the best price rule with respect to the use of credit criteria or a credit score in an insurer's rate-making standards; and

(4) Require insurers that use credit history for rating purposes, with respect to private passenger motor vehicle insurance, to provide the Insurance Commissioner with the underlying information that the Insurance Commissioner needs to ensure that the insurers use the credit history in accordance with the standards for rating that currently exist in Maryland law.

## **.02 Scope.**

**A. In General.** This chapter applies to insurers that sell or offer to sell homeowner's insurance or private passenger motor vehicle insurance.

**B. Insurance Transaction Not Initiated by a Consumer.**

(1) This chapter does not apply to the use of a credit report or a credit score derived from a credit report, by an insurer in an insurance transaction that:

- (a) Is not initiated by a consumer; and
- (b) Consists of a firm offer of insurance.

(2) If an insurer refuses to underwrite after a consumer submits an application in response to a firm offer of insurance made in accordance with §B(1) of this regulation, the refusal to underwrite:

- (a) Is not part of a transaction that is not initiated by a consumer; and
- (b) Is subject to this chapter and any provisions of the Annotated Code of Maryland that are applicable to underwriting, including Insurance Article, §27-501, Annotated Code of Maryland.

**C. Accuracy or Completeness of Information in Credit Report.** This chapter does not apply to a dispute regarding the accuracy or completeness of information in a credit report.

## **.03 Definitions.**

**A.** In this chapter, the following items have the meanings indicated.

**B. Terms Defined.**

(1) "Affiliated insurer" means an insurer that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another insurer.

(2) "Consumer reporting agency" includes an insurer and any affiliate of an insurer that collects information that:

- (a) Bears on a consumer's credit worthiness, credit standing, or credit capacity; and
- (b) Is used or expected to be used wholly or partly to serve as a factor in establishing the consumer's eligibility or pricing for personal lines of property and casualty insurance to be used primarily for personal, family, or household purposes.

(3) "Control" means the direct or indirect possession of the power to direct, or cause the direction of, the management and policies of an insurer, regardless of whether the power is exercised, by:

- (a) Ownership of voting securities or of securities convertible into voting securities;
- (b) Contract, other than a commercial contract for goods or nonmanagement services;

or

- (c) Any other means.

- (4) "Credit-based discount" means the application of a rate modification factor that is:
- (a) Based on an applicant's credit history; and
  - (b) Less than 1.0 but greater than or equal to 0.6.
- (5) "Credit-based surcharge" means the application of a rate modification factor that is:
- (a) Based on an applicant's credit history; and
  - (b) Greater than 1.0 but less than or equal to 1.4.
- (6) "Credit criterion" means information bearing on a particular aspect of an individual's credit history.
- (7) Credit History.
- (a) "Credit history" means a written, oral, or other communication of any information by a consumer reporting agency that:
    - (i) Bears on a consumer's credit worthiness, credit standing, or credit capacity; and
    - (ii) Is used or collected, or expected to be used or collected, wholly or partly to serve as a factor in establishing the consumer's eligibility or pricing for personal lines of property and casualty insurance to be used primarily for personal, family, or household purposes.
  - (b) "Credit history" includes:
    - (i) A credit criterion;
    - (ii) A credit report; and
    - (iii) A credit score.
  - (c) "Credit history" does not include:
    - (i) An accident history report as defined in Insurance Article, §27-216(e), Annotated Code of Maryland;
    - (ii) An accident history report or record of motor vehicle violations kept by the Motor Vehicle Administration pursuant to Transportation Article, §16-117, Annotated Code of Maryland;
    - (iii) A property loss report or claims history that does not include information that bears on a consumer's credit worthiness, credit standing, or credit capacity; or
    - (iv) Any report containing information solely as to transactions or experiences between the consumer and the person making the report.
- (8) "Credit report" means credit history obtained from a consumer reporting agency other than an insurer or affiliate of an insurer described in §B(2) of this regulation.
- (9) "Credit score" means a score that is derived by utilizing data from an individual's credit history in an algorithm, computer program, model, or other process that reduces the data to a number or rating.
- (10) "Firm offer of insurance" has the meaning stated in §C of this regulation.
- (11) Homeowner's Insurance.
- (a) "Homeowner's insurance" means insurance for residential property that provides one or more of the following coverages:
    - (i) Fire;
    - (ii) Extended coverage;
    - (iii) Vandalism and malicious mischief;
    - (iv) Burglary;
    - (v) Theft; or
    - (vi) Personal liability.
  - (b) "Homeowner's insurance" does not include an umbrella policy.

(12) Motor Vehicle.

(a) "Motor vehicle" means a vehicle that is operated or designed for operation on a public road by a power other than animal or muscular power.

(b) "Motor vehicle" includes:

- (i) A motorcycle;
- (ii) A motor home; and
- (iii) A trailer.

(c) "Motor vehicle" does not include:

(i) A bus as defined by Transportation Article, §11-105, Annotated Code of Maryland; or

(ii) A taxicab as defined by Transportation Article, §11-165, Annotated Code of Maryland.

(13) "Private passenger motor vehicle" means a motor vehicle that is used primarily for personal, family, or household purposes.

(14) "Rate" includes:

- (a) To provide or remove a discount or impose or remove a surcharge;
- (b) To assign an applicant to a tier; or
- (c) To place an applicant with an affiliated insurer.

(15) Residential Property.

(a) "Residential property" means property that is used primarily as a residence.

(b) "Residential property" includes:

- (i) An apartment unit;
- (ii) A condominium unit;
- (iii) A mobile home; and
- (iv) A multiunit building if one of the units is occupied by the owner of the building and not more than three units are occupied by tenants.

(c) "Residential property" does not include a boat.

(16) "Tier" means a category within a single insurer into which insureds with similar risk characteristics are placed for purposes of determining a premium rate.

**C. "Firm offer of insurance" means an offer of insurance to a consumer that:**

(1) Will be honored if the consumer is determined, based on information in a credit report on the consumer, to meet the specific criteria used to select the consumer for the offer; and

(2) May be further conditioned on one or more of the following:

(a) A determination, based on information in the consumer's application for insurance, that the consumer meets specific criteria that:

- (i) Bear on insurability, and
- (ii) Were established before selection of the consumer for the offer and for the purpose of determining whether to extend insurance pursuant to the offer;

(b) Verification:

(i) That the consumer continues to meet the specific criteria used to select the consumer for the offer, by using information in a credit report on the consumer, information in the consumer's application for the insurance, or other information bearing on the insurability of the consumer, or

- (ii) Of the information in the consumer's application for insurance, to determine that the consumer meets the specific criteria bearing on credit worthiness or insurability; or
- (c) Provision by the consumer of any collateral that is a requirement for the extension of the insurance that was:
  - (i) Established before selection of the consumer for the offer of insurance, and
  - (ii) Disclosed to the consumer in the offer of insurance.

## ***.04 Homeowner's Insurance—Prohibition on Use of Credit History.***

With respect to homeowner's insurance, an insurer may not:

- A.** Refuse to underwrite, cancel, or refuse to renew a risk based wholly or partly on the credit history of an applicant or insured, including the absence of or inability to determine credit history;
- B.** Rate a risk based wholly or partly on the credit history of an applicant or insured, including the absence of or inability to determine credit history, in any manner, including:
  - (1) Providing or removing a discount or imposing or removing a surcharge;
  - (2) Assigning the insured or applicant to a tier; or
  - (3) Placing an applicant or insured with an affiliated insurer; or
- C.** Require a particular payment plan based wholly or partly on the credit history of an applicant or insured, including the absence of or inability to determine credit history.

## ***COMAR 31.08.03***

### ***.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 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 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 are maintained in a manner that:
  - (1) Is clear and legible;
  - (2) Accurately reproduces the original document in its entirety, including any attachments to the document;

- (3) Is capable of producing a clear and legible hard copy of the original document; and
- (4) Preserves evidence of any signature contained on the document.