

# **Title 31 Maryland Insurance Administration**

## **Subtitle 08**

### **Chapter 11**

Authority: Insurance Article, §§2-108, 2-109, 19-107, and 27-501 Annotated Code of Maryland

.01 Purpose of Chapter: The purpose of this chapter is to ensure that all insurers that utilize temporary moratoriums on the writing of property and casualty insurance, the addition of endorsements for additional coverages, or other policy changes do so in a way that balances the interests of consumers, insurers, producers, and Maryland businesses.

.02 Filing of Moratorium: Each insurer that intends to utilize temporary moratoriums to address approaching storms or other Gubernatorially-declared emergencies predicted to impact the State or any part thereof shall file its moratorium protocol with the Administration.

A. The moratorium protocol must:

- (1) (i) be filed as a rating rule and not as an underwriting guideline for any line of business for which rates must be filed; or
- (ii) be filed with the Commissioner as an underwriting guideline for those lines of business that do not require rates to be filed; and
- (2) identify implementation triggers and lifting triggers.

B. Absent a filing with the Administration, no such moratorium will be recognized as valid and will subject the insurer to appropriate administrative action.

.03 Moratorium Protocol: Moratoriums are to be designed to have the least impact on the conduct of business throughout the State as possible. A complete suspension of the binding and/or writing of insurance is not acceptable. Moratoriums are to be guided by the information provided by the National Weather Service or Gubernatorially-declared disasters and

A.(1) Shall not become effective until the National Weather Service issues a hurricane or tropical storm watch, warning or advisory for the State, either in its entirety or for any part thereof; or

(2) The Governor declares a State of Emergency for the State, either in its entirety or for any part thereof.

B. The moratorium shall be limited to:

- (1) those areas of the State that are impacted by the National Weather Service watch, warning or advisory; or
- (2) are included within the Gubernatorially-declared area of disaster; and
- (3) may only be applied to those lines of business that are reasonably anticipated to be impacted by the impending event.

.04 Exceptions: In no case may the implementation of a moratorium be used to deny binding authority or coverage for the following transactions:

- A. Property insurance, including homeowners insurance and all the mandatory offerings, that was bound prior to the implementation of the moratorium;
- B. Automobile liability insurance being purchased in connection with the purchase of a new or used motor vehicle by a consumer;
- C. Additional types of coverages, endorsements or limits being made to an existing policy while it is in the renewal period; that being 45 days prior to and up to and including the renewal date of an existing property and casualty insurance policy; and
- D. Issuances of policies unrelated to the impending weather event.

.05 Lifting of Moratorium: A moratorium put in effect by an insurer shall be constantly monitored by the insurer and shall be lifted at the first reasonable opportunity. In no case shall a moratorium related to a hurricane or tropical storm watch, warning, or advisory continue for more than twenty four (24) hours after the termination of the last warning issued for the State or any part thereof.

.06 Notice to the Commissioner: Any time that a carrier invokes its filed moratorium, it must first notify the Commissioner of its intent to implement its moratorium.

- A. Notice must be given at least two (2) hours in advance of its implementation.
- B. The notice to the Commissioner shall identify those geographic areas of the State to which the moratorium is being applied.