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Editor's note. — Chapters 95 and 540, Acts 2008, both enacted § 19-208 of this subtitle. Neither chapter referred to the other. The sections enacted by ch. 540 have been redesignated as §§ 19-209 — 19-212 as a result of the multiple enactments. See notes to § 19-209 of this article.

§ 19-211. Catastrophic risk planning model.

(a) *Filing and notice requirements.* — (1) If an insurer uses a catastrophic risk planning model or other model in setting homeowner's insurance rates or refusing to issue or renew homeowner's insurance because of the geographic location of the risk, the insurer shall:

(i) file with the Commissioner a description of the specific model used in setting the rate or refusing to issue or renew homeowner's insurance because of the geographic location of the risk; and

(ii) make arrangements for the vendor of the model to explain to the Commissioner and the People's Insurance Counsel the data used in the model and the manner in which the output is obtained.

(2) If at any time an insurer changes the catastrophic risk planning model or other model upon which it is relying, the insurer shall notify the Commissioner of the change and comply with paragraph (1) of this subsection.

(b) *Filing and notice requirements.* — (1) The information filed under subsection (a) of this section is proprietary and confidential commercial information under § 10-617(d) of the State Government Article.

(2) The People's Insurance Counsel shall maintain the confidentiality of any proprietary and confidential commercial information to which the People's Insurance Counsel obtains access under subsection (a) of this section.

(c) *Regulations.* — The Commissioner may adopt regulations to implement the provisions of this section. (2008, ch. 540; 2011, ch. 154.)

Effect of amendments. — Chapter 154, Acts 2011, effective June 1, 2011, added "and the People's Insurance Counsel" in (a)(1)(ii); added the (b)(1) designation; and added (b)(2).

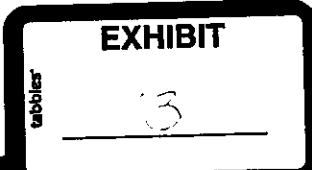
Editor's note. — Chapters 95 and 540, Acts 2008, both enacted § 19-208 of this subtitle. Neither chapter referred to the other. The sections enacted by ch. 540 have been redesignated as §§ 19-209 — 19-212 as a result of the multiple enactments. See notes to § 19-209 of this article. Section 3, ch. 540, Acts 2008, provides that "except as provided in Section 4 of this Act, this Act shall apply to all homeowner's insurance policies issued, delivered, or renewed in the State on or after October 1, 2008."

§ 19-212. Plan of material reduction.

(a) *Definitions.* — (1) In this section the following words have the meanings indicated.

(2) (i) "Material reduction" means during a 1-year period a reduction of homeowner's insurance policies in force for an insurer on a statewide basis by 3% or more due to cancellations or nonrenewals solely because the subject of the risk or the insured's address is located in a certain geographic area of the State.

(ii) "Material reduction" does not include a homeowner's insurance policy:



1. cancelled, nonrenewed, or otherwise terminated by an insured; or
2. cancelled or nonrenewed by an insurer pursuant to reasons other than a material reduction plan.

(3) (i) "Minimizes market disruption" means actions to be taken by an insurer that intends to engage in a plan of material reduction of its volume of policies to provide for the orderly reduction in homeowner's insurance coverage.

(ii) "Minimizes market disruption" includes:

1. efforts by the insurer to maintain a service force in affected areas during the period of material reduction;
2. efforts to inform insureds of options available for replacement of coverage with authorized insurers; and
3. any actions serving to minimize market disruption.

(b) *Filing requirements.* — (1) At least 60 days in advance of implementing a plan of material reduction, an insurer shall file with the Commissioner a plan for orderly reduction.

(2) The plan shall:

- (i) describe the insurer's contemplated actions;
- (ii) set forth the reasons for the actions;
- (iii) describe the measures the insurer intends to take in order to minimize market disruption; and
- (iv) provide any other information required by the Commissioner.

(c) *Waiting period.* — (1) Except as provided in this section, a filing under this section may not take effect until 60 days after it is filed with the Commissioner.

(2) 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.

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

(d) *Waiting period — Exception.* — If the Commissioner finds that compliance with subsection (b) of this section would result in impairment of the insurer or a significant financial loss to the insurer, the Commissioner may allow an insurer to implement its plan of material reduction within 60 days after the filing of the plan.

(e) *Approval of plan.* — The Commissioner shall approve the plan of material reduction if the insurer demonstrates that the material reduction is accomplished in a manner that minimizes market disruption in the areas of material reduction.

(f) *Review of plan.* — In reviewing a plan of material reduction, the Commissioner shall assess the impact of the plan of material reduction in:

- (1) each county of the State; and
- (2) areas within 1 mile of any saltwater shoreline or any shoreline directly adjacent to the Chesapeake Bay.

(g) *Disapproval of plan.* — (1) If the Commissioner disapproves the plan of material reduction, the Commissioner shall state:

- (i) the points of objection with the plan; and
- (ii) any amendments to the plan that the Commissioner may require, consistent with this section, including amendments designed to accomplish the plan of material reduction in a manner that minimizes market disruption.

(2) The insurer shall file an amended plan within 15 days after the date of return of the disapproved plan.

(3) Any intended withdrawal in accordance with a plan of material reduction that is disapproved is prohibited until the original or an amended plan of material reduction is approved by the Commissioner.

(h) *Regulations.* — The Commissioner may adopt regulations to implement the provisions of this section. (2008, ch. 540.)

Editor's note. — Chapters 95 and 540, Acts 2008, both enacted § 19-208 of this subtitle. Neither chapter referred to the other. The sections enacted by ch. 540 have been redesignated as §§ 19-209 — 19-212 as a result of the multiple enactments. See notes to § 19-209 of this article.

§ 19-213. Additional payments for replacement costs.

(a) *Required provision.* — Each policy of homeowner's, farmowner's, or dwelling insurance issued, sold, or delivered in the State that provides property coverage for a dwelling or personal property on a replacement cost basis shall contain a provision that allows an insured to file a claim for the difference between the actual cash value and the replacement cost for the completed repairs or replacement for not less than 2 years after the date of loss.

(b) *Notice to insurer.* — An insurer may require an insured seeking additional payments on a replacement cost basis to notify the insurer, within 180 days after the date of loss, of the insured's intent to repair or replace the dwelling or personal property. (2010, chs. 91, 92.)

Editor's note. — Section 2, chs. 91 and 92, Acts 2010, provides that "this Act shall apply to all homeowner's, farmowner's, and dwelling insurance policies issued, sold, delivered, or renewed in the State on or after January 1, 2011." Section 3, chs. 91 and 92, Acts 2010, provides that the acts shall take effect January 1, 2011.

Subtitle 3. Fire Insurance Application Act.

§ 19-301. "Anti arson application" defined.

In this subtitle, "anti arson application" means an application for property insurance covering the peril of fire that:

- (1) requires an applicant to provide the basic information normally supplied to an insurer by an applicant for that type of coverage; and
- (2) includes certain additional questions to be answered by the applicant. (An. Code 1957, art. 48A, § 576; 1996, ch. 11.)

§ 19-302. Purpose and scope of subtitle.

(a) *Purpose of subtitle.* — The purpose of this subtitle is to promote the public welfare by reducing fire damage to property and loss of life that is