



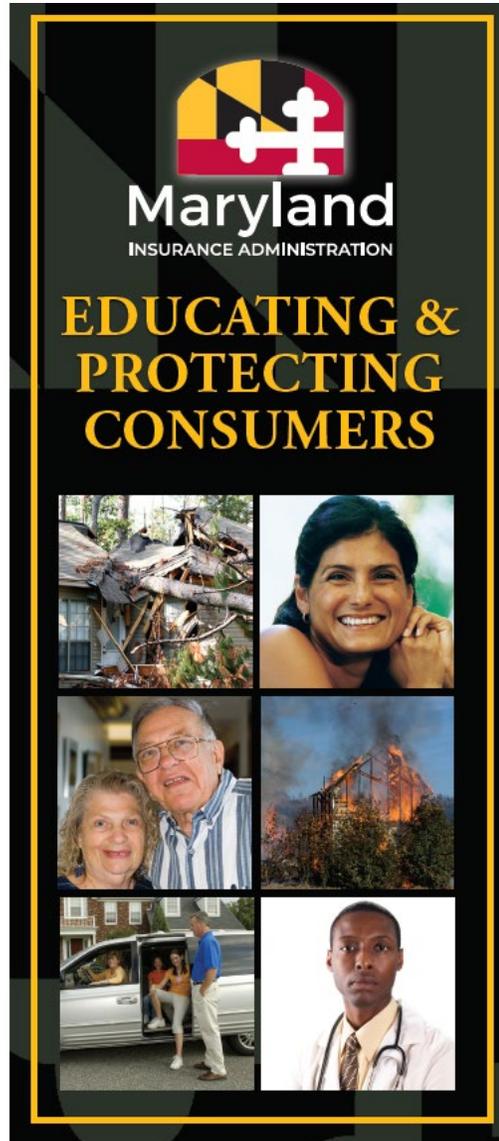
# Auto Insurance in Maryland

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# Agenda: Auto Insurance

- What is the Maryland Insurance Administration?
- What is auto insurance
- How are auto insurance premiums developed?
- Tips to reduce premiums
- Comparison shop
- If you're in an automobile accident
- Filing an auto insurance protest or complaint
- Contact Information

# What is the Maryland Insurance Administration



The Maryland Insurance Administration (MIA) is the state agency that regulates insurance in Maryland. The MIA:

Licenses insurers and insurance producers (agents or brokers).

Examines the business practices of licensees to ensure compliance.

Monitors solvency of insurers.

Reviews/approves insurance policy forms.

Reviews insurance rates to ensure rates are not inadequate, excessive or unfairly discriminatory.

Investigates consumer and provider complaints and allegations of fraud.

[Video: How the MIA can help](#)



# What is the Maryland Insurance Administration?

If you feel that your insurer or insurance producer acted improperly, you have the right to file a complaint. Examples of improper actions include:

- Improperly denying or delaying payment of all or portions of a claim;
- Improperly terminating your insurance policy;
- Raising your insurance premiums without proper notice;
- Making false statements to you in connection with the sale of insurance or processing of insurance claims; and,
- Overcharging you for services, including premium finance charges.



# What is Auto Insurance?



Auto insurance is a contract between you and the insurer that protects you against financial loss. In exchange for you paying a premium, the insurer agrees to pay for certain covered losses as described in your policy.

# Auto Insurance Coverage

*Liability Insurance* – protects policyholders and other insureds when they cause an accident. There are two types of liability coverage:

Bodily injury liability coverage – Protects you if the driver of your car causes an accident and an injured person makes a claim or files a lawsuit against you, unless the driver of your car is excluded or does not have a reasonable belief they are entitled to drive your vehicle.

Property damage liability – Protects you if the driver of your car causes an accident resulting in damage to someone else's property, like another vehicle or other property, such as a fence, unless the driver of your car is excluded or does not have a reasonable belief they are entitled to drive your vehicle.



# Auto Insurance Coverage

Maryland law requires all registered vehicle owners to carry a minimum amount of liability coverage. The coverage required by law is:

- \$30,000 for bodily injury per person
- \$60,000 bodily injury per accident; and
- \$15,000 property damage

# Auto Insurance Coverage

*Uninsured Motorist (UM) coverage* – protects you and other insureds under your policy’s terms when an accident is caused by a driver who does not have auto insurance coverage, does not have enough liability insurance, or when the owner of the at fault vehicle cannot be identified such as in the case of a hit-and-run.

Maryland Law requires all registered vehicle owners to carry a minimum amount of UM. The coverage required by law is:

- \$30,000 for bodily injury per person
- \$60,000 bodily injury per accident; and
- \$15,000 property damage

# Auto Insurance Coverage

*What happens if I have a lapse in my auto insurance coverage?*

Maryland law requires that you maintain the required minimum coverage at all times while the vehicle is registered. The Motor Vehicle Administration will assess a penalty for every day that you do not maintain minimum coverage.

More details are available on the Motor Vehicle Administration's website at:

[Auto Insurance Requirements in Maryland](#)



# Auto Insurance Coverage

*Collision Coverage* – an optional coverage that you purchase to provide for payment of property damage to your insured vehicle from a collision with another vehicle or object. If you are in an accident and have collision coverage, your insurer will pay to repair your vehicle or will pay you what your vehicle was worth right before the accident occurred if your vehicle is a total loss.

*Comprehensive Coverage* – pays for damage to your car resulting from causes other than a collision, like vandalism, theft, or storm damage.

**Typically, both collision and comprehensive coverage have a deductible.**



# Comprehensive Coverage

When it comes to auto insurance coverage, **Comprehensive Coverage** provides you the coverage for property damage to your insured vehicle resulting from occurrences other than collision.



- Flooding
- Theft
- Vandalism
- Glass breakage not resulting from an accident
- A vehicle striking an animal



# Auto Insurance Coverage

*Personal Injury Protection (PIP)* - provides reimbursement for medical expenses arising from a motor vehicle accident for injuries to you, your passengers, or a pedestrian struck by your vehicle. It will also cover lost wages and other related expenses arising from a motor vehicle accident. Maryland law requires insurers to offer policyholders at least \$2,500 in PIP. You may elect to purchase limited PIP coverage and certain individuals may be able to fully reject PIP coverage.

# How are Auto Insurance Premiums Developed?

There is a wide variety of criteria considered to help the insurer in predicting the likelihood that you will be in an accident or to file a claim.

## [Video: How does an Auto Insurer Determine Your Premium?](#)

- Age
- Sex
- Marital status
- Number of miles driven annually
- Driving record
- Credit history
- Purpose vehicle is being driven for (vehicle use)
- The location of where the vehicle is garaged
- Driving experience
- Claims history

# Tips to reduce premiums

- Know the coverages you have – liability, collision, comprehensive – and know your limits and deductibles. Do these coverages and limits still make sense for your situation now?

*Remember: if you drop collision or comprehensive and your car is damaged in an accident you caused – or stolen or vandalized – you will be responsible for paying for the damage or replacing your vehicle. If you have a loan on your vehicle, the lender requires that you have physical damage (Collision and Comprehensive) to protect their financial interest in the vehicle.*

- Shop for insurance before you purchase a new vehicle to understand the full cost of driving your new car.



# Tips to reduce premiums

- Consider whether increasing the amount of your deductible (collision and/or comprehensive) to lower your premium would be beneficial.
- Ask your insurer whether there are any discounts that might be available to you (good driver discounts, multi-policy, multi-vehicle, protective device). Not all insurers offer the same discounts.
- Have a good driving record.
- Check your credit. In Maryland, insurers may use your credit history to determine your premium when you purchase your policy subject to certain legal limitations. After you purchase your policy, your insurer cannot use your credit to raise your policy's renewal premium. Not all insurers use your credit history, but those that do must review your credit every two years, or sooner at your request, and provide you with any premium relief you are due based on an improvement in your credit situation.

# Comparison Shop

Comparison shop by looking to see if you can obtain those same coverages from another insurer at a lower cost.

- Make sure you compare policies that offer the same types of coverage with the same deductibles and coverage limits.
- Make sure the information you provide is accurate and that you provide the same information to each insurer you call.
- Ask about deductibles and when they apply.

# Comparison Shop

- Ask about what is covered and what is excluded.
- Do not buy an insurance policy based solely on its price – consider the coverages, limits and the customer service, including claims service before you buy.
- Ask friends and neighbors about their experience with different insurers

# Introduction to our Rate Guide

## AUTO INSURANCE

A COMPARISON GUIDE TO RATES



As of August 2020



# Introduction to our Rate Guide

## Scenario Descriptions

Rates shown in this guide are total annual premiums for 22 scenarios and do not account for other variables such as discounts you may qualify for or other vehicles and age brackets.

This data is provided by the insurers and is subject to change.

### Scenario 10:

Single Male, Age 50. Renter.

Drives 2016 Ford F-150 XLT 4x4 4DR Crew Cab Gas 145 WB

Drives 60 miles each day total for work. Drives 25,000 miles annually.

No accidents or violations in past 3 years. Best credit history (where applicable). Receives companion policy discount.

Liability	\$100,000/\$300,000/\$100,000
Full PIP	\$2,500
UM	\$100,000/\$300,000/\$100,000
Comprehensive	\$250 deductible
Collision	\$500 deductible

### Scenario 11:

Single Female, Age 50. Renter.

Drives 2014 Hyundai Elantra 4DR SE WB

Drives 60 miles each day total for work. Drives 20,000 miles annually.

No accidents or violations in past 3 years. No credit history (where applicable). No companion policy discount.

Liability	\$100,000/\$300,000/\$100,000
Full PIP	\$2,500
UM	\$100,000/\$300,000/\$100,000
Comprehensive	\$250 deductible
Collision	\$500 deductible

# Introduction to our Rate Guide

## Scenario 22:

Family Rate -- Premiums include coverage for two vehicles and two drivers, with a multi-car discount and a companion homeowners discount (where available).

### Scenario Descriptions

Rates shown in this guide are total annual premiums for 22 scenarios and do not account for other variables such as discounts you may qualify for or other vehicles and age brackets.

This data is provided by the insurers and is subject to change.

- **Married Male, Age 65.**

Drives a 2015 Jeep Grand Cherokee Altitude 4x4

Drives 20 miles each day total for work. Drives 20,000 miles annually.

No accidents or violations in past 3 years. Best credit history (where applicable).

Liability	\$250,000/\$500,000/\$100,000
Full PIP	\$2,500
UM	\$250,000/\$500,000/\$100,000
Comprehensive	\$250 deductible
Collision	\$500 deductible

- **Married Female, Age 65.**

Drives a 2016 Lexus

Does not work. Drives 5,000 miles annually.

No accidents or violations in past 3 years. Best credit history (where applicable).

Liability	\$250,000/\$500,000/\$100,000
Full PIP	\$2,500
UM	\$250,000/\$500,000/\$100,000
Comprehensive	\$250 deductible
Collision	\$500 deductible

# Introduction to our Rate Guide

\*Indicates those insurers that consider credit scores in determining premiums.

n/a = Insurers that do not have rates available based on the criteria in the scenario such as an at-fault accident

	21502	20657	20603	21550	20878	20906
Insurer	Allegany	Calvert	Charles	Garrett	Montgomery	Montgomery
* Agency Insurance Co.	1275	1507	1992	1396	1527	1851
* AIG Property Casualty Co.	2978	3093	3093	2976	2087	2286
* Allstate Indemnity Co.	2143	2570	2824	2086	2524	2885
American National Property & Casualty Co.	1918	2354	2776	1934	2308	2772
* American States Preferred Insurance Co.	2781	3102	3208	2734	3146	3425
* Amica Mutual Insurance Co.	1235	1461	1461	1235	1298	1408
* Brethren Mutual Insurance Co.	1474	1668	1949	1473	1499	1934
* Chubb National Insurance Co.	2083	2613	3147	2083	2744	3406
Cincinnati Insurance Co.	1487	1629	1611	1395	1604	1665
* CSAA General Insurance Co.	1812	2277	2582	2114	2281	2539
* Cumberland Insurance Co. Inc.	1150	1354	1396	1150	1323	1390
* Dairyland Insurance Co.	3578	4300	5093	3148	4938	6572
Donegal Mutual Insurance Co.	2906	2991	3602	2906	3948	4163
Elephant Insurance Co.	3347	3969	5043	3347	4358	4869
* Encompass Home/Auto Insurance Co.	1266	1717	1945	1266	2138	2025
Erie Insurance Exchange	1488	1617	2064	1488	1868	2095
Esurance Property & Casualty Ins. Co.	2238	2352	3062	2238	2648	2814
Farmers Insurance Exchange	2520	2778	3180	2520	3058	3533
* Foremost Insurance Co.	2617	2903	3323	2617	3099	3585
* Garrison Property & Casualty Ins. Co.	1716	1949	2247	1744	2045	2491
* GEICO Casualty Co.	1039	1141	1368	1039	970	1216
* Hartford Casualty Insurance Co.	2158	2836	2707	1658	2546	2829
Horace Mann Insurance Co.	1052	1180	1423	1052	1115	1219
Horace Mann Property & Casualty Ins. Co.	1396	1721	2365	1396	1971	1971
IDS Property Casualty Inc. Co.	1134	1198	1434	1166	1210	1568
* Integon Indemnity Co.	1683	1840	2426	1783	2004	2426
* LM General Insurance Co.	3451	4671	5216	3318	4444	5526
* LM Insurance Corp.	3834	5190	5795	3687	4938	6140
Maryland Auto Insurance Fund	3380	3258	3289	3360	3018	2835
* Meridian Security Insurance Co.	1059	1330	1725	1236	1407	1789



# Introduction to our Rate Guide

## Scenario 11: Single Female, Age 50

	21502	20657	20603
Insurer	Allegany	Calvert	Charles
<sup>a</sup> Agency Insurance Co.	1275	1507	1992
<sup>a</sup> AIG Property Casualty Co.	2976	3093	3093
<sup>a</sup> Allstate Indemnity Co.	2143	2570	2824
American National Property & Casualty Co.	1918	2354	2776
<sup>a</sup> American States Preferred Insurance Co.	2781	3102	3208

\*indicates those insurers that use credit scores in determining premiums

This guide lists those insurers writing the greatest number of insurance policies in Maryland. Individuals may not qualify for coverage with all insurers. Affiliated insurers have different underwriting standards. Within a group of insurers (i.e. State Farm or Allstate), consumers are placed in the affiliated insurer based on their risk level.

# Introduction to our Rate Guide

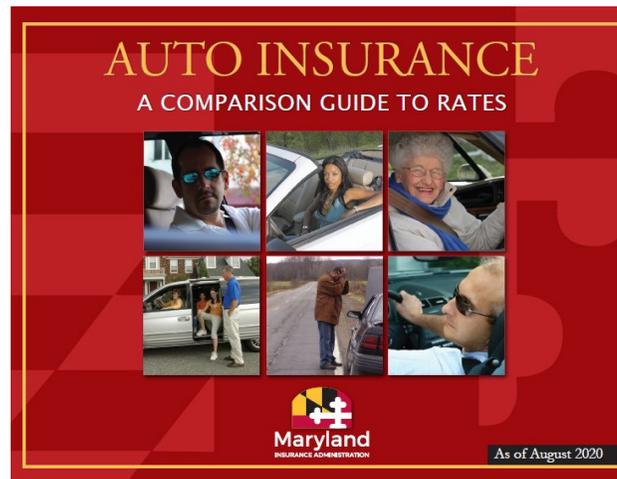
**Policy Comparison Worksheet** You may use this worksheet to help gather information about insurers and the automobile insurance policies they sell.

Insurer Name →			
Telephone number			
Financial rating			
Insurer licensed (Yes/No)			
Discounts offered			
Annual premium			
List all vehicles and drivers			

# Introduction to our Rate Guide

This brochure is available on our website at:  
[Auto Insurance: A Comparison Guide to Rates](#)  
or by calling us at 800-492-6116 to request a copy.  
Rates are updated in the guide every February and August.

Insurer phone numbers and websites are available in the back of the book.



# If you're in an Automobile Accident

- Dial 911 if needed and give the operator information about the incident and if any medical assistance or towing is needed.
- Take pictures or draw a diagram of the scene if it safe to do so.
- Remove the vehicle from the roadway and off to the side if possible.
- Talk to witnesses. Obtain names, addresses, and phone numbers.
- Cooperate with the police. Provide all information requested. Write down your incident/accident number and the officer's name and badge number.
- Write down the location and time of the accident. Exchange information with all involved in the accident as well as insurance information.
- Contact your insurer as soon as possible and provide all information as requested.

# If you're in an Automobile Accident

*Can my insurer repair my vehicle with used parts?*

That depends on the specific terms of your policy. When there is property damage to an insured vehicle, most policies require the insurer to pay whichever is less – the cost to repair the vehicle or the actual cash value. The use of aftermarket or used parts in the estimation of vehicle repair costs is not prohibited by Maryland insurance law.

Unless the policy contains a provision specifying the type of parts to be used in a repair, an estimate may include original equipment manufacturer (OEM) parts, used or aftermarket parts. As the vehicle owner, you get to choose what parts go on your car; however, you may have to pay the difference out of pocket between a higher priced OEM part and an aftermarket part.

# What happens if your insurer decides that your vehicle is a total loss?

If your vehicle is determined to be a total loss, your insurer will make a **settlement offer reflecting the actual cash value (ACV) of the vehicle immediately prior to the loss.**



**You will be responsible for payment of your deductible.**

# What if my vehicle is a total loss?

Total Loss - the cost to repair the vehicle is 75 percent or greater than the fair market value of the vehicle immediately prior to the loss.

Your insurer is permitted to add additional costs such as the cost of a rental vehicle and potential hidden damage to the cost to repair your vehicle when calculating the 75 percent value.

# What if my vehicle is a total loss?

**You may request the following in writing from the insurer:**

- ✓ Settlement offer
- ✓ Explanation of the method used to arrive at the offer
- ✓ Detailed explanation of the calculation of the motor vehicle's total loss value, including the calculation of any value added to the motor vehicle by options
- ✓ A list of all the deductions that will be made from the value of the motor vehicle.
- ✓ A copy of the inspection guidelines relied on to determine the condition of the vehicle at the time of the loss.

**The insurer is required by law to respond within seven business days of your request.**



# Filing an Auto Insurance Protest or Complaint

If you receive a Notice of Premium Increase or a non-renewal notice pertaining to your auto policy in Maryland, you have the right to file a protest and have your situation investigated.

[Video: Protesting an Auto Rate Increase](#)

The MIA also established a Rapid Response Program designed to help certain consumers resolve property and casualty claims (such as auto) quickly and without having to file a formal written complaint. For more information about this program, please contact us at 410-468-2340 or 800-492-6116 ext. 2340. Participation in the Rapid Response Program is voluntary and does not affect your right to file a formal complaint.

Consumers may also file a complaint by going online to the Maryland Insurance Administration's web site at [www.insurance.maryland.gov](http://www.insurance.maryland.gov). Under *Consumers*, click *File a Complaint*.



# Publications Available on the MIA's Website

- [A Consumer Guide to Auto Insurance](#)
- [Tips on Shopping for Automobile Insurance](#)
- [Understanding your Automobile Insurance Declarations Page](#)
- [Auto Insurance: A Comparison Guide to Rates \(August 2020\)](#)
- [An Insurance Preparedness Guide for Natural Disasters](#)

# Contact Information

Maryland Insurance Administration

800-492-6116 or 410-468-2000

[www.insurance.maryland.gov](http://www.insurance.maryland.gov)

Motor Vehicle Administration

(410) 768-7000

[mva.maryland.gov](http://mva.maryland.gov)



Questions?

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