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BULLETIN 21-01

Date: January 4, 2021

To: All Insurance Producers and Property and Casualty Insurers Writing Private Passenger Automobile Insurance

Re: Changes in Vehicle Usage Due to COVID-19 Pandemic

On March 5, 2020, Governor Larry Hogan issued a Proclamation declaring a State of Emergency and that a Catastrophic Health Emergency exists in the State of Maryland. The Proclamation was renewed on May 6, 2020, June 3, 2020, July 1, 2020, July 31, 2020, August 10, 2020, September 8, 2020, October 6, 2020, October 30, 2020, November 25, 2020 and December 23, 2020. The pandemic has adversely affected the lives and livelihoods of Maryland residents in numerous ways. Accordingly, the Maryland Insurance Administration ("Insurance Administration") seeks the full cooperation of all insurance producers and Property and Casualty insurers writing private passenger automobile insurance with the following issue.

Driving habits, both in terms of vehicle usage and the number of annual miles being driven, have changed for many Marylanders as a result of the pandemic. Many insurers utilize one or both of these driving characteristics as factors in the rating of private passenger automobile insurance policies to determine the premium charged. The purpose of this Bulletin is to remind and urge all insurance producers, as well as any direct writer of private passenger automobile insurance, of the need to initiate contact with their policyholders to determine if they have experienced a change in their vehicle usage and / or annual miles driven as a result of the pandemic.

Where usage and / or mileage has changed that impacts the policy's rating, the appropriate adjustment in rating should be made promptly. The Insurance Administration encourages insurers to provide refunds / credits for reduced mileage retroactively to the onset of the reduction in miles being driven to the greatest extent possible.

As always, the Insurance Administration appreciates the cooperation of our licensees in these challenging times. Should you have any questions concerning this Bulletin, please contact Jason Decker, Chief Market Conduct Examiner P&C, at Jason.Decker@Maryland.gov or Erica J. Bailey, Associate Commissioner for Compliance and Enforcement at Erica.Bailey@Maryland.gov or at (410) 468-2113.

KATHLEEN A. BIRrane
Commissioner

By: **signature on original**

Erica J. Bailey
Associate Commissioner
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