

The Maryland Insurance Administration (MIA) provides a detailed guide to auto insurance, aimed at educating consumers about their options and rights. It emphasizes the importance of comparison shopping among the over 150 licensed auto insurers in Maryland, as this can lead to significant savings. Consumers are advised to consider insurance costs before purchasing a vehicle and to understand both required and optional coverages under Maryland law. When seeking quotes, it is essential to provide consistent information to insurers, including vehicle details and driving records. The guide highlights the impact of deductibles on premiums and encourages inquiries about available discounts for good driving records or safety features. While insurers may consider credit history when setting rates, they cannot use it to cancel or refuse renewal of a policy.

The guide stresses the importance of verifying the licensing of insurers and insurance producers to protect against fraud and discusses financing options for premiums, including installment plans. It also highlights the significance of customer service and claims processing speed when selecting an insurer. Factors influencing insurance rates include the applicant's driving record, claims history, geographic area, age, marital status, and vehicle characteristics. Insurers are generally prohibited from using accidents or violations older than three years to refuse coverage or increase premiums. The guide serves as a valuable resource for Maryland residents, ensuring they are informed about their coverage options.

Mandatory coverages in Maryland include Bodily Injury Liability, Property Damage Liability, and Personal Injury Protection (PIP), with specified minimum limits. Uninsured Motorist (UM) and Underinsured Motorist (UIM) coverages are also required, providing protection against drivers without sufficient insurance. Optional coverages include comprehensive and collision coverage, which are often required by lenders for financed or leased vehicles. The guide encourages consumers to assess their coverage needs, consider increasing deductibles, and inquire about discounts to reduce premiums.

The document outlines premium payment options, emphasizing the importance of timely payments to avoid penalties and potential increases in future premiums due to lapses in coverage. Insurers must notify the Maryland Vehicle Administration (MVA) of any policy cancellations or non-renewals, and if coverage lapses, the MVA may impose penalties. Insurers can consider credit history when underwriting but cannot refuse coverage solely based on it. The guide also addresses the implications of youthful drivers on premiums and the necessity of notifying insurers when a child begins driving.

For those considering becoming rideshare drivers, the document warns that standard auto policies often do not cover driving for transportation network companies (TNCs) and suggests obtaining a commercial policy. It details the processes for premium increases, nonrenewals, and cancellations, explaining that insurers must provide notice before such actions and the reasons behind them. Insurers cannot increase premiums solely due to the death of a spouse and must notify policyholders of any changes.

In the event of an accident, the insured should document the scene, gather witness information, and report the incident to their insurer promptly. Insurers are obligated to pay for repairs up to coverage limits, and if a vehicle is deemed a total loss, they must offer a cash settlement reflecting its fair market value. The guide also discusses diminished value claims, which can be made if the at-fault party's insurer accepts liability.

Consumers who believe their insurer has acted improperly can file a complaint with the MIA, which oversees compliance with state insurance laws. The MIA offers a Rapid Response Program for quicker resolution of certain claims. Additionally, Maryland consumers with property and casualty insurance or individual disability policies may file civil complaints for special damages if they feel their insurer has not acted in good faith regarding a claim. This guide serves educational purposes and is not a substitute for legal advice or specific policy interpretation.