

MARTIN O'MALLEY
Governor

ANTHONY G. BROWN
Lt. Governor



THERESE M. GOLDSMITH
Commissioner

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June 6, 2014

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House, H-107
Annapolis, Maryland 21401

The Honorable Michael E. Busch
Speaker of the House of Delegates
State House, H-101
Annapolis, Maryland 21401

Re: 2014 Report on the Use of Territories as a Rating Factor in Establishing Private
Passenger Automobile Insurance Rates – MSAR # 5892

Dear President Miller and Speaker Busch:

Pursuant to Section 11-339 of the Insurance Article, Annotated Code of Maryland, the Maryland Insurance Administration is enclosing its 2014 Report on the Use of Territories as a Rating Factor in Establishing Private Passenger Automobile Insurance Rates.

Should you have any questions regarding this report, please do not hesitate to contact me.

Very truly yours,

Therese M. Goldsmith
Insurance Commissioner

Enclosure

Cc: Thomas M. Middleton, Chairman, Senate Finance Committee
Dereck E. Davis, Chairman, House Economic Matters Committee
Victoria L. Gruber, Esq., Chief of Staff, Senate President
Kristin F. Jones, Chief of Staff, Speaker of the House
Tamela D. Burt, Committee Staff, Senate Finance
Robert K. Smith, Esq., Committee Counsel, House Economic Matters
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**2014 Report on the Use of Territory
as a Rating Factor in Establishing
Private Passenger Automobile Insurance Rates
MSAR#5892**

June, 2014

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This document is available in alternative format upon request from
a qualified individual with a disability.
TTY: 1-800-735-2258

Maryland Insurance Administration's website address is: www.mdinsurance.state.md.us

Preface

Section 11-339 of the Insurance Article (Chapter 410, Laws of Maryland 2006) requires the Insurance Commissioner to submit a report to the General Assembly on or before July 1 of each year about the use of territory as a factor in establishing rates for private passenger automobile insurance by insurers and the Maryland Automobile Insurance Fund (“MAIF”). The report must contain information on (1) the number of insurers actively engaged in providing private passenger automobile insurance coverage in the State; and (2) the number of insurers that use territory as a factor in establishing private passenger automobile insurance rates.

For this report, the Maryland Insurance Administration (“the Administration”) uses the National Association of Insurance Commissioners (“NAIC”) definition of private passenger automobile insurance for premium-reporting purposes. Whereas an automobile may be considered to be a four-wheeled, motorized vehicle that can be operated lawfully on public highways, the NAIC definition of private passenger automobile for premium-reporting purposes is broader. That definition includes not only automobiles, but also includes recreational vehicles (“RVs”), trailers (both travel and utility), motorcycles, scooters, all terrain vehicles (“ATVs”), and antique and collector cars. Certain types of mobile homes, warranties and mechanical breakdown coverages also may be included. Thus, the NAIC definition for private passenger automobile insurance includes coverage written for all motor vehicles as defined in Maryland Code Annotated, Transportation, Sections 11-134 through 11-136. Any motor vehicles other than automobiles will be described as specialty vehicles in this report.

Use of Territory as a Rating Factor in the 2013 Private Passenger Automobile Market

For calendar year 2013, 158 insurers reported direct premiums written for the private passenger automobile insurance lines of business. (Exhibit 1) Those lines of business are: 19.1 – Private passenger auto no-fault (personal injury protection); 19.2 – Other private passenger auto liability; and 21.1 – Private passenger auto physical damage.¹

All carriers insuring automobiles use territories for rating purposes. Additionally, territories may be used when insuring RVs, motorcycles, and scooters. For other specialty vehicle coverages, such as coverage for antique and collector vehicles, ATVs and trailers (travel and utility), the use of territories depends on the particular insurer and type of product/program that it is offering. Exhibit 2 summarizes the number of insurance companies providing coverage for automobiles and specialty vehicles. As shown in Exhibit 2, 138 carriers representing 99.71% of the Maryland automobile insurance market by premium volume insure automobiles, and all of those carriers use territory as a rating factor.

¹ 19.1, 19.2, and 21.1 represent the actual lines on the insurer’s annual statement where direct written premium is reported.

Certifications of Compliance

Sections 11-216 and 11-319 of the Insurance Article (Chapter 410, Laws of Maryland 2006) require any insurer using territory as a factor in establishing automobile insurance rates to submit a statement to the Insurance Commissioner certifying that: (1) the territories used by the insurer have been reviewed within the previous three years and (2) the use of the territories is actuarially justified.

In 2007, the Insurance Commissioner adopted regulations governing compliance with Sections 11-216 and 11-319.² Among other things, those regulations contain a Certification Statement for use by MAIF and authorized insurance companies to certify that their territories have been reviewed in the past three years and that the use of those territories is actuarially justified. The Administration has developed a database to track the filing of those Certification Statements. That information is summarized in Exhibit 4. The summary includes the name of the insurer, 2013 premium written, whether a Certification Statement has been submitted within a rolling three-year period from 2011 through May 2014, and if so, when. One insurer has been contacted for additional information regarding compliance with the certification filing requirements. All other insurers writing private passenger automobile insurance in the State appear to be in compliance with Sections 11-216 and 11-319 of the Insurance Article and COMAR 31.07.03.

Summary

As in prior years, every company that insures automobiles in Maryland utilized territory as a rating factor in calendar year 2013. The Maryland Insurance Administration's rate guide for Private Passenger Automobiles, available at: <http://www.mdinsurance.state.md.us/sa/docs/documents/consumer/publications/autorateguide2014.pdf> shows how territorial rating is applied in certain scenarios within certain zip codes.

² COMAR 31.07.03, Review of Automobile Rating Territories. See Exhibit 3.

List of Exhibits

- ❖ Exhibit 1: Private Passenger Automobile Insurers 2013 Market Share and Use of Territory as a Rating Factor
- ❖ Exhibit 2: 2013 Market Share for Insurers Writing Automobile Insurance
- ❖ Exhibit 3: COMAR 31.07.03 Review of Automobile Rating Territories
- ❖ Exhibit 4: 2013 Private Passenger Automobile Insurers Filing Certifications in Accordance with COMAR 31.07.03

2013 Rank	Group Code	NAIC Cocode	Company Name	2013 Written Premium	2013 Market Share	Cumulative Market Share	Writes Autos	Uses Territories	% Change in Premium from 2012	Write New Business
1	176	25178	State Farm Mut Auto Ins Co	696,232,942	17.43%	17.43%	Y	Y	3.45%	Y
2	31	35882	Geico Gen Ins Co	303,900,991	7.61%	25.03%	Y	Y	-8.06%	N
3	213	26271	Erie Ins Exch	275,858,515	6.90%	31.94%	Y	Y	4.96%	Y
4	31	22063	Government Employees Ins Co	240,225,740	6.01%	37.95%	Y	Y	-7.08%	N
5	31	41491	Geico Cas Co	236,698,988	5.92%	43.87%	Y	Y	73.52%	Y
6	8	19240	Allstate Ind Co	183,217,149	4.59%	48.46%	Y	Y	21.01%	Y
7	8	19232	Allstate Ins Co	182,238,061	4.56%	53.02%	Y	Y	-6.83%	N
8	140	23787	Nationwide Mut Ins Co	150,551,489	3.77%	56.79%	Y	Y	27.65%	N
9	200	25941	United Serv Automobile Assn	134,404,842	3.36%	60.15%	Y	Y	2.39%	Y
10	31	22055	Geico Ind Co	100,391,171	2.51%	62.66%	Y	Y	-17.48%	N
11	200	25968	USAA Cas Ins Co	98,640,701	2.47%	65.13%	Y	Y	6.50%	Y
12	140	23760	Nationwide Gen Ins Co	87,484,814	2.19%	67.32%	Y	Y	-14.82%	N
13	140	26093	Nationwide Affinity Co of Amer	81,709,776	2.05%	69.37%	Y	Y	60.66%	Y
14	155	10192	Progressive Select Ins Co	78,367,594	1.96%	71.33%	Y	Y	33.56%	Y
15	176	25143	State Farm Fire & Cas Co	72,628,459	1.82%	73.15%	Y	Y	-11.22%	Y
16	111	23035	Liberty Mut Fire Ins Co	71,961,069	1.80%	74.95%	Y	Y	-13.10%	N
17	0	34800	MAIF	65,129,499	1.63%	76.58%	Y	Y	-5.96%	Y
18	8	17230	Allstate Prop & Cas Ins Co	64,752,562	1.62%	78.20%	Y	Y	-17.70%	N
19	111	36447	LM Gen Ins Co	56,756,511	1.42%	79.62%	Y	Y	73.50%	Y
20	155	32786	Progressive Specialty Ins Co	47,695,580	1.19%	80.81%	Y	Y	13.89%	Y
21	111	37214	American States Preferred Ins Co	45,713,630	1.14%	81.96%	Y	Y	16.14%	Y
22	155	11851	Progressive Advanced Ins Co	41,779,175	1.05%	83.00%	Y	Y	-21.93%	N
23	8	11252	Encompass Home & Auto Ins Co	39,456,945	0.99%	83.99%	Y	Y	12.92%	Y
24	200	18600	USAA Gen Ind Co	37,249,738	0.93%	84.92%	Y	Y	61.67%	Y
25	3548	27998	Travelers Home & Marine Ins Co	35,648,608	0.89%	85.81%	Y	Y	-10.94%	Y
26	200	21253	Garrison Prop & Cas Ins Co	28,786,236	0.72%	86.53%	Y	Y	-10.03%	Y
27	1278	11681	CSAA AFFINITY INS CO	26,973,259	0.68%	87.21%	Y	Y	14.59%	Y
28	91	27120	Trumbull Ins Co	24,386,615	0.61%	87.82%	Y	Y	13.43%	N
29	0	35173	Agency Ins Co Of MD Inc	23,542,015	0.59%	88.41%	Y	Y	-10.87%	Y
30	28	19976	Amica Mut Ins Co	20,205,938	0.51%	88.91%	Y	Y	4.41%	Y
31	155	16322	Progressive Direct Ins Co	20,110,805	0.50%	89.42%	Y	Y	-14.36%	N
32	8	30210	Esurance Prop & Cas Ins Co	17,776,214	0.44%	89.86%	Y	Y	23.64%	Y
33	250	14958	Peninsula Ins Co	17,175,414	0.43%	90.29%	Y	Y	-3.93%	Y
34	241	34339	Metropolitan Grp Prop & Cas Ins Co	15,869,716	0.40%	90.69%	Y	Y	6.61%	Y
35	0	13501	Brethren Mut Ins Co	14,940,761	0.37%	91.06%	Y	Y	0.18%	Y
36	155	42994	Progressive Classic Ins Co	14,735,110	0.37%	91.43%	Y	Y	-13.02%	N

2013 Rank	Group Code	NAIC Cocode	Company Name	2013 Written Premium	2013 Market Share	Cumulative Market Share	Writes Autos	Uses Territories	% Change in Premium from 2012	Write New Business
37	215	16063	Unitrin Auto & Home Ins Co	12,115,336	0.30%	91.73%	Y	Y	-14.02%	Y
38	175	25135	State Automobile Mut Ins Co	12,035,126	0.30%	92.04%	Y	Y	-5.43%	Y
39	155	24252	Progressive Amer Ins Co	11,892,026	0.30%	92.33%	Y	Y	-21.84%	N
40	4	29068	IDS Prop Cas Ins Co	11,733,245	0.29%	92.63%	Y	Y	-4.69%	Y
41	271	14990	Pennsylvania Natl Mut Cas Ins Co	11,238,953	0.28%	92.91%	Y	Y	-5.36%	Y
42	8	10071	Encompass Ins Co Of Amer	11,237,254	0.28%	93.19%	Y	Y	-13.83%	N
43	0	13688	Elephant Ins Co	10,478,152	0.26%	93.45%	Y	Y	15.94%	Y
44	242	19259	Selective Ins Co Of SC	10,386,973	0.26%	93.71%	Y	Y	0.55%	Y
45	175	25127	State Auto Prop & Cas Ins Co	10,301,408	0.26%	93.97%	Y	Y	-9.97%	N
46	140	13242	Titan Ind Co	9,193,662	0.23%	94.20%	Y	Y	-13.60%	Y
47	640	14664	Mutual Benefit Ins Co	8,032,951	0.20%	94.40%	Y	Y	-9.72%	Y
48	111	33588	First Liberty Ins Corp	7,724,128	0.19%	94.59%	Y	Y	-14.90%	N
49	3548	36137	Travelers Commercial Ins Co	7,323,279	0.18%	94.78%	Y	Y	-4.75%	Y
50	3548	25658	Travelers Ind Co	6,986,485	0.17%	94.95%	Y	Y	-11.47%	N
51	0	16128	Paramount Ins Co	6,961,213	0.17%	95.13%	Y	Y	-24.40%	Y
52	69	34789	21st Century Centennial Ins Co	6,832,137	0.17%	95.30%	Y	Y	10.42%	Y
53	91	34690	Property & Cas Ins Co Of Hartford	6,449,568	0.16%	95.46%	Y	Y	-12.89%	N
54	111	33600	LM Ins Corp	6,440,412	0.16%	95.62%	Y	Y	56.91%	Y
55	91	30104	Hartford Underwriters Ins Co	6,330,341	0.16%	95.78%	Y	Y	-12.37%	N
56	140	19100	Amco Ins Co	6,186,056	0.15%	95.93%	Y	Y	29.40%	Y
57	33	20117	California Cas Ind Exch	5,560,240	0.14%	96.07%	Y	Y	-2.93%	(1)
58	169	21164	Dairyland Ins Co	5,265,799	0.13%	96.20%	Y	Y	-16.62%	Y
59	111	39012	Safeco Ins Co Of IL	5,189,500	0.13%	96.33%	Specialty		-13.20%	(2)
60	111	24074	Ohio Cas Ins Co	4,743,116	0.12%	96.45%	Y	Y	-9.61%	N
61	626	18279	Bankers Standard Ins Co	4,687,874	0.12%	96.57%	Y	Y	2.47%	Y
62	244	10677	Cincinnati Ins Co	4,567,248	0.11%	96.68%	Y	Y	59.96%	Y
63	0	31062	IFA Ins Co	4,560,851	0.11%	96.80%	Y	Y	122.22%	Y
64	91	29459	Twin City Fire Ins Co Co	4,423,690	0.11%	96.91%	Y	Y	4.60%	Y
65	69	11185	Foremost Ins Co Grand Rapids MI	4,395,492	0.11%	97.02%	Y	Y	-39.15%	Y
66	241	25321	Metropolitan Drt Prop & Cas Ins Co	4,329,114	0.11%	97.13%	Y	Y	-11.64%	Y
67	213	26263	Erie Ins Co	4,322,095	0.11%	97.24%	Y	Y	-6.10%	Y
68	69	32220	21st Century N Amer Ins Co	4,299,741	0.11%	97.34%	Y	Y	-18.38%	N
69	140	25453	Nationwide Ins Co Of Amer	4,172,428	0.10%	97.45%	Y	Y	-3.06%	N
70	69	21687	Mid Century Ins Co	3,960,178	0.10%	97.55%	Y	Y	411.01%	Y
71	8	15130	Encompass Ind Co	3,921,292	0.10%	97.65%	Y	Y	-22.12%	N

2013 Rank	Group Code	NAIC Cocode	Company Name	2013 Written Premium	2013 Market Share	Cumulative Market Share	Writes Autos	Uses Territories	% Change in Premium from 2012	Write New Business
72	111	14613	Montgomery Mut Ins Co	3,786,360	0.09%	97.74%	Y	Y	-24.01%	N
73	38	20303	Great Northern Ins Co	3,562,641	0.09%	97.83%	Y	Y	-11.32%	N
74	3548	25666	Travelers Ind Co Of Amer	3,449,855	0.09%	97.92%	Y	Y	-8.35%	N
75	761	21873	Firemans Fund Ins Co	3,354,898	0.08%	98.00%	Y	Y	-6.74%	Y
76	2538	42447	National Gen Assur Co	3,279,320	0.08%	98.08%	Y	Y	-12.99%	Y
77	111	24740	Safeco Ins Co Of Amer	3,236,022	0.08%	98.16%	Y	Y	-28.10%	Y
78	140	23779	Nationwide Mut Fire Ins Co	2,825,595	0.07%	98.23%	Y	Y	-94.59%	N
79	215	10914	Kemper Independence Ins Co	2,803,453	0.07%	98.30%	Y	Y	-21.12%	N
80	69	10806	Farmers New Century Ins Co	2,786,395	0.07%	98.37%	Y	Y	-25.36%	N
81	38	10052	Chubb Natl Ins Co	2,543,752	0.06%	98.44%	Y	Y	37.91%	Y
82	250	13692	Donegal Mut Ins Co	2,536,068	0.06%	98.50%	Y	Y	-14.09%	Y
83	140	35696	Harleysville Preferred Ins Co	2,483,328	0.06%	98.56%	Y	Y	10.08%	Y
84	91	37478	Hartford Ins Co Of The Midwest	2,479,632	0.06%	98.62%	Y	Y	47.86%	N
85	3548	19070	Standard Fire Ins Co	2,478,557	0.06%	98.69%	Y	Y	-10.94%	N
86	12	19402	AIG Prop Cas Co	2,237,260	0.06%	98.74%	Y	Y	-3.91%	Y
87	3478	19530	Hallmark Natl Ins Co	2,221,236	0.06%	98.80%	Y	Y	-16.27%	Y
88	250	22586	Atlantic States Ins Co	2,207,929	0.06%	98.85%	Y	Y	-3.48%	Y
89	408	29963	United Farm Family Ins Co	2,105,865	0.05%	98.91%	Y	Y	0.28%	Y
90	311	40231	Old Dominion Ins Co	2,049,675	0.05%	98.96%	Y	Y	-9.75%	Y
91	91	11000	Sentinel Ins Co Ltd	1,985,133	0.05%	99.01%	Y	Y	-33.04%	N
92	54	10448	Cumberland Ins Co Inc	1,982,014	0.05%	99.06%	Y	Y	5.52%	Y
93	8	25712	Esurance Ins Co	1,886,814	0.05%	99.10%	Y	Y	-34.74%	N
94	300	22683	Teachers Ins Co	1,828,184	0.05%	99.15%	Y	Y	-11.02%	Y
95	241	40169	Metropolitan Cas Ins Co	1,752,850	0.04%	99.19%	Y	Y	-12.26%	Y
96	69	20796	21st Century Premier Ins Co	1,712,232	0.04%	99.24%	Y	Y	-16.47%	N
97	57	21261	Electric Ins Co	1,575,464	0.04%	99.28%	Y	Y	-1.39%	(1)
98	3098	18058	Philadelphia Ind Ins Co	1,414,900	0.04%	99.31%	Specialty		5.54%	(2)
99	140	26182	* Harleysville Worcester Ins Co	1,329,221	0.03%	99.34%	Y	Y	n/a	Y
100	215	10226	Unitrin Direct Ins Co	1,286,385	0.03%	99.38%	Y	Y	-8.63%	N
101	300	22756	Horace Mann Prop & Cas Ins Co	1,281,339	0.03%	99.41%	Y	Y	-5.41%	Y
102	0	34509	Rider Ins Co	1,224,674	0.03%	99.44%	Specialty		56.72%	(2)
103	111	42404	Liberty Ins Corp	1,142,972	0.03%	99.47%	Y	Y	-20.16%	N
104	761	21881	National Surety Corp	1,139,674	0.03%	99.50%	Y	Y	-2.05%	Y
105	1278	10675	CSAA MID-ATLANTIC INS CO	1,081,650	0.03%	99.52%	Y	Y	-13.58%	N
106	140	42889	Victoria Fire & Cas Co	1,079,592	0.03%	99.55%	Y	Y	-31.46%	Y

2013 Rank	Group Code	NAIC Cocode	Company Name	2013 Written Premium	2013 Market Share	Cumulative Market Share	Writes Autos	Uses Territories	% Change in Premium from 2012	Write New Business
107	155	24260	Progressive Cas Ins Co	1,066,328	0.03%	99.58%	Y	Y	-14.87%	N
108	19	10111	American Bankers Ins Co Of FL	1,025,153	0.03%	99.60%	Specialty		4.83%	(2)
109	111	44393	West Amer Ins Co	1,002,758	0.03%	99.63%	Y	Y	-18.81%	N
110	69	21709	Truck Ins Exch	963,636	0.02%	99.65%	Y	Y	-33.38%	N
111	4664	12873	Privilege Underwriters Recp Exch	944,791	0.02%	99.68%	Y	Y	59.86%	Y
112	91	19682	Hartford Fire In Co	921,069	0.02%	99.70%	Y	Y	-13.68%	N
113	242	39926	Selective Ins Co Of The Southeast	873,506	0.02%	99.72%	Y	Y	-24.17%	N
114	38	20281	Federal Ins Co	824,487	0.02%	99.74%	Y	Y	-9.26%	N
115	361	23469	American Modern Home Ins Co	817,581	0.02%	99.76%	Specialty		-1.33%	(2)
116	785	37915	Essentia Ins Co	641,073	0.02%	99.78%	Specialty		-0.42%	(2)
117	311	14788	NGM Ins Co	591,791	0.01%	99.79%	Y	Y	-18.58%	N
118	241	40649	Economy Premier Assur Co	582,909	0.01%	99.81%	Y	Y	-6.98%	N
119	215	26050	Response Worldwide Ins Co	558,754	0.01%	99.82%	Y	Y	17.04%	Y
120	215	10915	Unitrin Direct Prop & Cas Co	535,865	0.01%	99.84%	Y	Y	-38.64%	N
121	91	29424	Hartford Cas Ins Co	534,120	0.01%	99.85%	Y	Y	-3.25%	Y
122	3548	28188	Travco Ins Co	524,129	0.01%	99.86%	Y	Y	-15.30%	N
123	311	29939	Main St Amer Assur Co	517,397	0.01%	99.87%	Y	Y	-13.75%	N
124	140	42579	Allied Prop & Cas Ins Co	463,277	0.01%	99.89%	Y	Y	-29.23%	N
125	155	38628	Progressive Northern Ins Co	406,332	0.01%	99.90%	Y	Y	-18.96%	N
126	38	20397	Vigilant Ins Co	392,864	0.01%	99.91%	Y	Y	-9.85%	N
127	38	20346	Pacific Ind Co	351,808	0.01%	99.91%	Y	Y	-7.07%	N
128	4509	23647	Ironshore Ind Inc	317,085	0.01%	99.92%	Specialty		-9.75%	(2)
129	225	23248	* Occidental Fire & Cas Co Of NC	310,468	0.01%	99.93%	Y	Y	n/a	Y
130	215	31968	Merastar Ins Co	231,769	0.01%	99.94%	Y	Y	-20.69%	N
131	241	26298	Metropolitan Prop & Cas Ins Co	218,162	0.01%	99.94%	Y	Y	-19.40%	N
132	0	44229	TrustStar Ins Co	207,607	0.01%	99.95%	Specialty		1.36%	(2)
133	1278	37770	* CSAA Gen Ins Co	201,382	0.01%	99.95%	Y	Y	n/a	Y
134	300	22578	Horace Mann Ins Co	198,151	0.00%	99.96%	Y	Y	126.88%	Y
135	69	43974	21st Century Ind Ins Co	196,435	0.00%	99.96%	Y	Y	-15.61%	N
136	3495	22268	Infinity Ins Co	183,178	0.00%	99.97%	Specialty		6.38%	(2)
137	69	11800	Foremost Prop & Cas Ins Co	177,312	0.00%	99.97%	Specialty		9.31%	(2)
138	140	10723	Nationwide Assur Co	174,776	0.00%	99.98%	Y	Y	-36.85%	N
139	17	10051	Lyndon Southern Ins Co	146,647	0.00%	99.98%	Specialty		-10.34%	(2)
140	91	22357	Hartford Accident & Ind Co	143,869	0.00%	99.98%	Y	Y	-25.67%	N
141	88	22292	Hanover Ins Co	128,859	0.00%	99.99%	Y	Y	-20.83%	N

2013 Rank	Group Code	NAIC Cocode	Company Name	2013 Written Premium	2013 Market Share	Cumulative Market Share	Writes Autos	Uses Territories	% Change in Premium from 2012	Write New Business
142	111	24724	First Natl Ins Co Of Amer	125,492	0.00%	99.99%	Y	Y	-8.42%	N
143	361	23450	American Family Home Ins Co	118,302	0.00%	99.99%	Specialty		-20.51%	(2)
144	785	28932	Markel Amer Ins Co	118,061	0.00%	99.99%	Specialty		-16.92%	(2)
145	2538	23728	National Gen Ins Co	53,461	0.00%	100.00%	Specialty		-9.85%	N
146	161	18031	* Topa Ins Co	53,372	0.00%	100.00%	Y	Y	n/a	Y
147	775	13714	Pharmacists Mut Ins Co	20,039	0.00%	100.00%	Y	Y	-21.76%	(1)
148	84	32620	National Interstate Ins Co	15,036	0.00%	100.00%	Specialty		25.66%	(2)
149	140	37877	Nationwide Prop & Cas Ins Co	14,317	0.00%	100.00%	Y	Y	-97.15%	N
150	140	42587	Depositors Ins Co	12,487	0.00%	100.00%	Y	Y	-65.54%	Y
151	215	43044	Response Ins Co	8,109	0.00%	100.00%	Y	Y	-95.28%	N
152	31	25895	* United States Liab Ins Co	7,893	0.00%	100.00%	Specialty		n/a	(2)
153	0	27502	Western Gen Ins Co	7,277	0.00%	100.00%	Y		6.20%	N
154	19	19615	American Reliable Ins Co	4,827	0.00%	100.00%	Specialty		-88.77%	(2)
155	84	41106	Triumphe Cas Co	2,606	0.00%	100.00%	Specialty		-23.08%	(2)
156	2898	37850	Pacific Specialty Ins Co	2,230	0.00%	100.00%	Specialty		-36.93%	(2)
157	4716	26220	Yosemite Ins Co	2,018	0.00%	100.00%	Specialty		-80.56%	(2)
158	215	26085	Warner Ins Co	10	0.00%	100.00%	Y	Y	-100.00%	N
INDUSTRY TOTALS				3,995,545,789						

SEE NEXT PAGE FOR NOTES

* Indicates 2013 is the first year with reported premium.

- (1) These companies target a select market, and do not sell to the general public.
- (2) These companies write specialty coverages only.

The following 5 companies wrote private passenger automobile insurance in 2012, but not in 2013.

3678	13455	BANKERS INDEPENDENT INS CO
12	19445	NATIONAL UNION FIRE INS CO OF PITTS
761	21849	AMERICAN AUTOMOBILE INS CO
313	33898	AEGIS SECURITY INS CO
0	41459	ARMED FORCES INS EXCH

There were five new companies writing private passenger automobile insurance in 2013; therefore, there was no change in the number of insurers writing private passenger automobile insurance in Maryland.

Market Share For Insurers Writing Automobile Insurance

Exhibit 2

<u>Type of Insurer</u>	<u>Number</u>	<u>2013 Market Share</u>
Automobile*	138	99.71%
Specialty Only	20	0.29%
TOTAL	158	100.00%

*Automobile Insurers also may write coverages for specialty vehicles, such as motorcycles, RVs, antique autos, trailers, scooters and ATVs.

Title 31 MARYLAND INSURANCE ADMINISTRATION

Subtitle 07 INSURANCE RATING LAW

Chapter 03 Review of Automobile Rating Territories

Authority: Insurance Article, §§2-109, 11-216, 11-319, and 11-339, Annotated Code of Maryland

.01 Purpose.

The purpose of this chapter is to ensure that all insurers that use territory as a factor in establishing automobile insurance rates in the State, including the Maryland Automobile Insurance Fund, file statements with the Commissioner that satisfy the requirements of Insurance Article, §§11-216 and 11-319, Annotated Code of Maryland.

.02 Triannual Review of Territories.

Each insurer that uses territory as a factor in establishing automobile insurance rates in the State, including the Maryland Automobile Insurance Fund, shall conduct a review of its territories every 3 years.

.03 Filing Requirements.

A. Each insurer that uses territory as a factor in establishing automobile insurance rates in the State, including the Maryland Automobile Insurance Fund, shall file with the Commissioner a certification statement.

B. The certification statement shall be on the form adopted by the Commissioner in Regulation .04 of this chapter.

C. The certification statement shall be filed:

- (1) On or before June 1, 2007;
- (2) Upon completion of each review required by the Commissioner pursuant to Regulation .02 of this chapter; and
- (3) Contemporaneously with each rate filing that indicates a modification of territorial rating factors.

.04 Certification Statement for Automobile Insurers.

A. Certification Statement for Insurers and Rating Organizations.

CERTIFICATION STATEMENT
REVIEW OF AUTOMOBILE RATING TERRITORIES

EXHIBIT 3 -Page 2

I, _____, a duly authorized representative of _____ (insurer or rating organization), NAIC # _____ (if applicable), do hereby certify that the following information is true to the best of my knowledge and belief.

1. The use of territories as a factor in rating by the above-named (insurer or rating organization) has been reviewed within the previous 3 years; and

2. Use of the territories on file, or as set forth in this filing, are actuarially justified. I understand that the Maryland Insurance Administration will rely on this certification, and if it is determined that this certification is materially false or incorrect, the insurer may be subject to administrative action, including appropriate penalties.

Date Signature of Authorized Representative

Name of Authorized Representative:

Title: _____

Address of Insurer: _____

Mail certification statement to: P & C Rate and Form Unit, Maryland Insurance Administration, 200 St. Paul Place, Baltimore, MD 21202.

B. Certification Statement for Insurers Adopting the Certification Statement of a Rating Organization.

**CERTIFICATION STATEMENT
REVIEW OF AUTOMOBILE RATING TERRITORIES**

I, _____, a duly authorized representative of _____ (insurer), NAIC # _____, do hereby certify that the following information is true to the best of my knowledge and belief.

1. #032; _____(insurer) is a member of or subscriber to _____ (rating organization), a licensed rating organization, and has authorized the Commissioner to accept filings from _____ (rating organization) on its behalf or has filed to adopt _____ (rating organization's) filings.

2. #032; _____(insurer) has filed no deviations relating to territory from the automobile rate filings submitted by _____(rating organization).

3. #032; _____ (rating organization) has filed with the Commissioner the certification statement required by Insurance Article, §11-216 or 11-319, Annotated Code of Maryland, and COMAR 31.07.03.03.

4. #032; _____(insurer) hereby adopts the statements made in the certification statement.

I understand that the Maryland Insurance Administration will rely on this certification, and if it is determined that this certification is materially false or incorrect, the insurer may be subject to administrative action, including appropriate penalties.

Date Signature of Authorized Representative

Name of Authorized Representative:

Title: _____

Address of Insurer: _____

Mail certification statement to: P&C Rate and Form Unit, Maryland Insurance Administration, 200 St. Paul Place, Baltimore, MD 21202.

.05 Filings Made By Rating Organizations.

A. A licensed rating organization that files on behalf of its members or subscribers automobile insurance rates that use territory as a factor in establishing automobile insurance rates in the State shall comply with the provisions of Regulations .02—.04 of this chapter.

B. An insurer that is required to file a certification statement may utilize the certification statement in Regulation .04B of this chapter if:

(1) The insurer is a member or subscriber of a licensed rating organization which has been authorized to make filings on the insurer's behalf or the insurer has filed to adopt the rating organization's filing; and

(2) The insurer has not filed with the Commissioner a deviation from the rates, loss costs, or both, filed by the rating organization relating to the use of territories.

Administrative History

Effective date: January 15, 2007 (34:1 Md. R. 33)

**2013 Private Passenger Automobile Insurers Filing
Certifications in Accordance with COMAR 31.07.03**

2013 Rank	Group Code	NAIC Cocode	Company Name	2013 Written Premium	Certification Filed	Year Certification Filed
1	176	25178	State Farm Mut Auto Ins Co	696,232,942	Yes	2013
2	31	35882	Geico Gen Ins Co	303,900,991	Yes	2013
3	213	26271	Erie Ins Exch	275,858,515	Yes	2013
4	31	22063	Government Employees Ins Co	240,225,740	Yes	2013
5	31	41491	Geico Cas Co	236,698,988	Yes	2013
6	8	19240	Allstate Ind Co	183,217,149	Yes	2012
7	8	19232	Allstate Ins Co	182,238,061	Yes	2010
8	140	23787	Nationwide Mut Ins Co	150,551,489	Yes	2013
9	200	25941	United Serv Automobile Assn	134,404,842	Yes	2013
10	31	22055	Geico Ind Co	100,391,171	Yes	2013
11	200	25968	USAA Cas Ins Co	98,640,701	Yes	2013
12	140	23760	Nationwide Gen Ins Co	87,484,814	Yes	2013
13	140	26093	Nationwide Affinity Co of Amer	81,709,776	Yes	2013
14	155	10192	Progressive Select Ins Co	78,367,594	Yes	2013
15	176	25143	State Farm Fire & Cas Co	72,628,459	Yes	2013
16	111	23035	Liberty Mut Fire Ins Co	71,961,069	Yes	2013
17	0	34800	MAIF	65,129,499	Yes	2012
18	8	17230	Allstate Prop & Cas Ins Co	64,752,562	Yes	2013
19	111	36447	LM Gen Ins Co	56,756,511	Yes	2013
20	155	32786	Progressive Specialty Ins Co	47,695,580	Yes	2013
21	111	37214	American States Preferred Ins Co	45,713,630	Yes	2013
22	155	11851	Progressive Advanced Ins Co	41,779,175	Yes	2013
23	8	11252	Encompass Home & Auto Ins Co	39,456,945	Yes	2013
24	200	18600	USAA Gen Ind Co	37,249,738	Yes	2013
25	3548	27998	Travelers Home & Marine Ins Co	35,648,608	Yes	2013
26	200	21253	Garrison Prop & Cas Ins Co	28,786,236	Yes	2013
27	1278	11681	CSAA AFFINITY INS CO	26,973,259	Yes	2013
28	91	27120	Trumbull Ins Co	24,386,615	Yes	2013
29	0	35173	Agency Ins Co Of MD Inc	23,542,015	Yes	2013
30	28	19976	Amica Mut Ins Co	20,205,938	Yes	2013

**2013 Private Passenger Automobile Insurers Filing
Certifications in Accordance with COMAR 31.07.03**

2013 Rank	Group Code	NAIC Cocode	Company Name	2013 Written Premium	Certification Filed	Year Certification Filed
31	155	16322	Progressive Direct Ins Co	20,110,805	Yes	2010
32	8	30210	Esurance Prop & Cas Ins Co	17,776,214	Yes	2013
33	250	14958	Peninsula Ins Co	17,175,414	Yes	2013
34	241	34339	Metropolitan Grp Prop & Cas Ins Co	15,869,716	Yes	2013
35	0	13501	Brethren Mut Ins Co	14,940,761	Yes	2013
36	155	42994	Progressive Classic Ins Co	14,735,110	Yes	2013
37	215	16063	Unitrin Auto & Home Ins Co	12,115,336	Yes	2012
38	175	25135	State Automobile Mut Ins Co	12,035,126	Yes	2012
39	155	24252	Progressive Amer Ins Co	11,892,026	Yes	2013
40	4	29068	IDS Prop Cas Ins Co	11,733,245	Yes	2009
41	271	14990	Pennsylvania Natl Mut Cas Ins Co	11,238,953	Yes	2013
42	8	10071	Encompass Ins Co Of Amer	11,237,254	Yes	2010
43	0	13688	Elephant Ins Co	10,478,152	Yes	2013
44	242	19259	Selective Ins Co Of SC	10,386,973	Yes	2012
45	175	25127	State Auto Prop & Cas Ins Co	10,301,408	Yes	2012
46	140	13242	Titan Ind Co	9,193,662	Yes	2013
47	640	14664	Mutual Benefit Ins Co	8,032,951	Yes	2013
48	111	33588	First Liberty Ins Corp	7,724,128	Yes	2013
49	3548	36137	Travelers Commercial Ins Co	7,323,279	Yes	2013
50	3548	25658	Travelers Ind Co	6,986,485	Yes	2013
51	0	16128	Paramount Ins Co	6,961,213	Yes	2011
52	69	34789	21st Century Centennial Ins Co	6,832,137	Yes	2013
53	91	34690	Property & Cas Ins Co Of Hartford	6,449,568	Yes	2010
54	111	33600	LM Ins Corp	6,440,412	Yes	2013
55	91	30104	Hartford Underwriters Ins Co	6,330,341	Yes	2013
56	140	19100	Amco Ins Co	6,186,056	Yes	2013
57	33	20117	California Cas Ind Exch	5,560,240	Yes	2013
58	169	21164	Dairyland Ins Co	5,265,799	Yes	2012
59	111	39012	Safeco Ins Co Of IL	5,189,500	Yes	2013
60	111	24074	Ohio Cas Ins Co	4,743,116	Yes	2013

**2013 Private Passenger Automobile Insurers Filing
Certifications in Accordance with COMAR 31.07.03**

2013 Rank	Group Code	NAIC Cocode	Company Name	2013 Written Premium	Certification Filed	Year Certification Filed
61	626	18279	Bankers Standard Ins Co	4,687,874	Yes	2012
62	244	10677	Cincinnati Ins Co	4,567,248	Yes	2012
63	0	31062	IFA Ins Co	4,560,851	Yes	2009
64	91	29459	Twin City Fire Ins Co Co	4,423,690	Yes	2013
65	69	11185	Foremost Ins Co Grand Rapids MI	4,395,492	Yes	2013
66	241	25321	Metropolitan Drt Prop & Cas Ins Co	4,329,114	Yes	2013
67	213	26263	Erie Ins Co	4,322,095	Yes	2013
68	69	32220	21st Century N Amer Ins Co	4,299,741	Yes	2013
69	140	25453	Nationwide Ins Co Of Amer	4,172,428	Yes	2013
70	69	21687	Mid Century Ins Co	3,960,178	Yes	2013
71	8	15130	Encompass Ind Co	3,921,292	Yes	2012
72	111	14613	Montgomery Mut Ins Co	3,786,360	Yes	2013
73	38	20303	Great Northern Ins Co	3,562,641	Yes	2012
74	3548	25666	Travelers Ind Co Of Amer	3,449,855	Yes	2013
75	761	21873	Firemans Fund Ins Co	3,354,898	Yes	2012
76	2538	42447	National Gen Assur Co	3,279,320	Yes	2013
77	111	24740	Safeco Ins Co Of Amer	3,236,022	Yes	2013
78	140	23779	Nationwide Mut Fire Ins Co	2,825,595	Yes	2012
79	215	10914	Kemper Independence Ins Co	2,803,453	Yes	2012
80	69	10806	Farmers New Century Ins Co	2,786,395	Yes	2012
81	38	10052	Chubb Natl Ins Co	2,543,752	Yes	2012
82	250	13692	Donegal Mut Ins Co	2,536,068	Yes	2013
83	140	35696	Harleysville Preferred Ins Co	2,483,328	Yes	2012
84	91	37478	Hartford Ins Co Of The Midwest	2,479,632	Yes	2013
85	3548	19070	Standard Fire Ins Co	2,478,557	Yes	2013
86	12	19402	AIG Prop Cas Co	2,237,260	Yes	2013
87	3478	19530	Hallmark Natl Ins Co	2,221,236	Yes	2014
88	250	22586	Atlantic States Ins Co	2,207,929	Yes	2013
89	408	29963	United Farm Family Ins Co	2,105,865	Yes	2012
90	311	40231	Old Dominion Ins Co	2,049,675	Yes	2012

**2013 Private Passenger Automobile Insurers Filing
Certifications in Accordance with COMAR 31.07.03**

2013 Rank	Group Code	NAIC Cocode	Company Name	2013 Written Premium	Certification Filed	Year Certification Filed
91	91	11000	Sentinel Ins Co Ltd	1,985,133	Yes	2013
92	54	10448	Cumberland Ins Co Inc	1,982,014	Yes	2014
93	8	25712	Esurance Ins Co	1,886,814	Yes	2013
94	300	22683	Teachers Ins Co	1,828,184	Yes	2013
95	241	40169	Metropolitan Cas Ins Co	1,752,850	Yes	2013
96	69	20796	21st Century Premier Ins Co	1,712,232	Yes	2012
97	57	21261	Electric Ins Co	1,575,464	Yes	2012
98	3098	18058	Philadelphia Ind Ins Co	1,414,900	n/a	n/a
99	140	26182	Harleysville Worcester Ins Co	1,329,221	Yes	2013
100	215	10226	Unitrin Direct Ins Co	1,286,385	Yes	2013
101	300	22756	Horace Mann Prop & Cas Ins Co	1,281,339	Yes	2013
102	0	34509	Rider Ins Co	1,224,674	n/a	n/a
103	111	42404	Liberty Ins Corp	1,142,972	Yes	2013
104	761	21881	National Surety Corp	1,139,674	Yes	2012
105	1278	10675	CSAA MID-ATLANTIC INS CO	1,081,650	Yes	2013
106	140	42889	Victoria Fire & Cas Co	1,079,592	Yes	2013
107	155	24260	Progressive Cas Ins Co	1,066,328	Yes	2010
108	19	10111	American Bankers Ins Co Of FL	1,025,153	n/a	n/a
109	111	44393	West Amer Ins Co	1,002,758	Yes	2013
110	69	21709	Truck Ins Exch	963,636	Yes	2012
111	4664	12873	Privilege Underwriters Recp Exch	944,791	Yes	2010
112	91	19682	Hartford Fire In Co	921,069	Yes	2010
113	242	39926	Selective Ins Co Of The Southeast	873,506	Yes	2012
114	38	20281	Federal Ins Co	824,487	Yes	2012
115	361	23469	American Modern Home Ins Co	817,581	n/a	n/a
116	785	37915	Essentia Ins Co	641,073	n/a	n/a
117	311	14788	NGM Ins Co	591,791	Yes	2012
118	241	40649	Economy Premier Assur Co	582,909	Yes	2013
119	215	26050	Response Worldwide Ins Co	558,754	Yes	2013
120	215	10915	Unitrin Direct Prop & Cas Co	535,865	Yes	2013

**2013 Private Passenger Automobile Insurers Filing
Certifications in Accordance with COMAR 31.07.03**

2013 Rank	Group Code	NAIC Cocode	Company Name	2013 Written Premium	Certification Filed	Year Certification Filed
121	91	29424	Hartford Cas Ins Co	534,120	Yes	2013
122	3548	28188	Travco Ins Co	524,129	Yes	2013
123	311	29939	Main St Amer Assur Co	517,397	Yes	2012
124	140	42579	Allied Prop & Cas Ins Co	463,277	Yes	2013
125	155	38628	Progressive Northern Ins Co	406,332	Yes	2010
126	38	20397	Vigilant Ins Co	392,864	Yes	2012
127	38	20346	Pacific Ind Co	351,808	Yes	2012
128	4509	23647	Ironshore Ind Inc	317,085	n/a	n/a
129	225	23248	Occidental Fire & Cas Co Of NC	310,468	Yes	2014
130	215	31968	Merastar Ins Co	231,769	Yes	2014
131	241	26298	Metropolitan Prop & Cas Ins Co	218,162	Yes	2013
132	0	44229	TrustStar Ins Co	207,607	n/a	n/a
133	1278	37770	CSAA Gen Ins Co	201,382	Yes	2013
134	300	22578	Horace Mann Ins Co	198,151	Yes	2013
135	69	43974	21st Century Ind Ins Co	196,435	Yes	2011
136	3495	22268	Infinity Ins Co	183,178	n/a	n/a
137	69	11800	Foremost Prop & Cas Ins Co	177,312	n/a	n/a
138	140	10723	Nationwide Assur Co	174,776	Yes	2010
139	17	10051	Lyndon Southern Ins Co	146,647	n/a	n/a
140	91	22357	Hartford Accident & Ind Co	143,869	Yes	2010
141	88	22292	Hanover Ins Co	128,859	Yes	2010
142	111	24724	First Natl Ins Co Of Amer	125,492	Yes	2013
143	361	23450	American Family Home Ins Co	118,302	n/a	n/a
144	785	28932	Markel Amer Ins Co	118,061	n/a	n/a
145	2538	23728	National Gen Ins Co	53,461	Yes	2010
146	161	18031	Topa Ins Co	53,372	n/a	n/a
147	775	13714	Pharmacists Mut Ins Co	20,039	Yes	2013
148	84	32620	National Interstate Ins Co	15,036	Yes	2013
149	140	37877	Nationwide Prop & Cas Ins Co	14,317	Yes	2012
150	140	42587	Depositors Ins Co	12,487	Yes	2013

**2013 Private Passenger Automobile Insurers Filing
Certifications in Accordance with COMAR 31.07.03**

2013 Rank	Group Code	NAIC Cocode	Company Name	2013 Written Premium	Certification Filed	Year Certification Filed
151	215	43044	Response Ins Co	8,109	Yes	2013
152	31	25895	United States Liab Ins Co	7,893	n/a	n/a
153	0	27502	Western Gen Ins Co	7,277	No	
154	19	19615	American Reliable Ins Co	4,827	n/a	n/a
155	84	41106	Triumphe Cas Co	2,606	n/a	n/a
156	2898	37850	Pacific Specialty Ins Co	2,230	n/a	n/a
157	4716	26220	Yosemite Ins Co	2,018	n/a	n/a
158	215	26085	Warner Ins Co	10	Yes	2010

The Administration's records reflect that certifications have been filed in calendar years 2011, 2012 or 2013 by all insurers with a "yes" designation. Any insurer with an "n/a" designation does not insure automobiles, but does insure specialty vehicles. The one insurer with a "no" designation has been contacted to determine compliance with Sections 11-216 and 11-319 of the Insurance Article and COMAR 31.07.03.

**2013 Private Passenger Automobile Insurers Filing
Certifications in Accordance with COMAR 31.07.03**

Group Code	NAIC Cocode	Company Name	Notes	Certification Filed	Year Certification Filed
3678	13455	BANKERS INDEPENDENT INS CO	Withdrew from market	n/a	n/a
12	19445	NATIONAL UNION FIRE INS CO OF PITTS	Wrote no premium in 2013	n/a	n/a
761	21849	AMERICAN AUTOMOBILE INS CO	Wrote no prem in 2013, negative prem in 2012	n/a	n/a
313	33898	AEGIS SECURITY INS CO	Wrote no premium in 2013	Specialty Co.	n/a
0	41459	ARMED FORCES INS EXCH	Withdrew from market	Select Market Co.	n/a

These five insurers wrote no premium in 2013; however, compliance with Sections 11-216 and 11-319 of the Insurance Article and COMAR 31.07.03 was verified.



Group Code	NAIC Cocode	Company Name	2013 Written Premium	Certification Filed	Year Certification Filed
0	27502	Western Gen Ins Co	7,277	No	

One company shown above will be withdrawing.