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## INSURANCE LAW BULLETIN

### **Re: Insurance Commissioner Determines Geographic Restriction on New Homeowners Business Complies with Maryland Law**

In a matter of first impression, the Maryland Insurance Commissioner, in a 50-page decision, recently ruled an insurer did not violate Maryland law by imposing a geographic restriction on underwriting new homeowners insurance in areas prone to catastrophic losses.

The insurer filed a geographic designation with the Maryland Insurance Administration identifying by zip code the areas in which new homeowners insurance would no longer be underwritten. After the Administration concluded the designation had an objective basis and was not arbitrary or unreasonable, the People's Insurance Counsel requested a hearing.

Following an evidentiary hearing, in which the burden of proof was allocated to the insurer, the Commissioner found the geographic underwriting standard was reasonably related to the insurer's economic and business purposes and not unfairly discriminatory. The Commissioner further found the designation was not arbitrary or unreasonable because the insurer relied on detailed and reliable data derived from computer hurricane modeling.

For further information, please contact **Bryan D. Bolton\***, who represented the insurer, at 410.659.7754 or [bbolton@fblaw.com](mailto:bbolton@fblaw.com). To learn more about our firm visit [www.fblaw.com](http://www.fblaw.com).

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*\* Bryan recently was selected for inclusion in Maryland Super Lawyers 2008 and the 25<sup>th</sup> Anniversary Edition of the Best Lawyers in America.*