



**MARYLAND**  
AUTO INSURANCE

## **CHANGES TO MARYLAND AUTO'S INTEREST-FREE INSTALLMENT PAYMENT PLAN**

**Effective October 17, 2022, Maryland Auto will offer an improved installment payment plan option with a lower down payment of 18% with the premium spread over nine payments.**

Maryland Auto now offers an improved installment payment plan. Below is the information producers need to know about the plan:

### **Down Payment**

The improved plan provides a more affordable, interest-free option to Marylanders, with a lower down payment of 18% for personal auto policies.

Previously, Maryland Auto's interest-free installment plan statutorily required a 20%-25% down payment depending on the policy premium.

### **Installments**

The new plan spreads payments out over nine monthly installments.

Previously the maximum number of payments for Maryland Auto's plan was 6 or 8 payments, depending on the policy premium.

### **Fees**

The fee structure for Maryland Auto's installment plan will remain the same:

- \$2 processing fee per payment
- \$5 for late payments
- \$15 for insufficient funds

### **Additional Payment Options**

Other payment options remain unchanged and include pay in full (with an 8% premium discount) and financing through a PFC. Maryland Insurance Administration guidelines require consumers to be advised of all payment and financing options.

As an advisor, you can help your customers select the option that best fits their individual needs.

### **Writing Installment Policies**

The process for issuing policies and down payments has not changed and remains in MIPS. However, administration of the payment plan is handled in our PBS system, which launched in September 2021. You can find the User Guide and FAQs for PBS on the [Producer Portal](#).

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This new plan is a result of legislation passed during the 2022 legislative session, and it has been approved by the Maryland Insurance Administration.

Initially, these terms will apply to personal auto policies only. We anticipate offering a payment plan for commercial auto policies in early 2023. The impact of these changes will be monitored closely and re-evaluated as warranted. Your feedback regarding these changes is welcome.

If you have questions about this process, please contact our Personal Auto Services team by email at [personalautoservices@marylandauto.net](mailto:personalautoservices@marylandauto.net) or call **800.445.1117**.