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**TESTIMONY OF
THE
MARYLAND INSURANCE ADMINISTRATION
BEFORE THE
SENATE FINANCE COMMITTEE**

JANUARY 9, 2020

**SENATE BILL 50 – INSURANCE - MARYLAND AUTOMOBILE INSURANCE FUND - NOTICE OF
CANCELLATION**

POSITION: SUPPORT WITH AMENDMENTS

Thank you for the opportunity to provide written comments regarding Senate Bill 50. Senate Bill 50 amends Title 20 Subtitle 5 of the Insurance Article to require the Maryland Automobile Insurance Fund (MAIF) to send a notice 10 days in advance of a policy cancellation for non-payment of premium for policyholders that utilize MAIF's installment payment plan. Senate Bill 50 requires the notice to be sent by a first class mail tracking method, which is identical to the required mail tracking requirement insurers must follow in §27-613(d) of the Insurance Article. Currently, § 20-516 only requires MAIF to notify a policyholder of a cancellation for nonpayment of premium after the policy has been cancelled by MAIF.

The attached amendment would allow certain MAIF policyholders who initially opted to receive electronic notices when signing up for their policy, to now receive this cancellation notice electronically as well. This amendment is consistent with how insurers currently send cancellation notices.

The Maryland Insurance Administration supports Senate Bill 50 with amendments and urges the Committee to give Senate Bill 50 a favorable report.

BY: Maryland Insurance Administration

AMENDMENTS TO SENATE BILL 50

(First Reading File Bill)

AMENDMENT NO. 1

On page 2, after Line 14, insert “**(D) THE NOTICE REQUIRED BY THIS SECTION MAY BE DELIVERED BY ELECTRONIC MEANS PROVIDED THE MARYLAND AUTOMOBILE INSURANCE FUND COMPLIES WITH THE REQUIREMENTS OF § 27-601.2 OF THIS ARTICLE.**”

On page 2, Line 14, strike “**(D)**” and insert “**(E)**”

On page 2, Line 18, strike “**(E)**” and insert “**(F)**”

Rationale: This would allow MAIF to send the cancellation notice electronically and would be identical to what is currently required of insurers.