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# Maryland

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**TESTIMONY OF  
THE  
MARYLAND INSURANCE ADMINISTRATION  
BEFORE THE  
HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE**

**MARCH 16, 2020**

**SENATE BILL 111 – INSURANCE - UNIVERSAL AND VARIABLE LIFE INSURANCE - NOTICE**

**POSITION: SUPPORT**

Thank you for the opportunity to provide written comments regarding Senate Bill 111. Senate Bill 111 adds a new §16-219 to the Insurance Article to require insurers to provide a notice to policyholders of universal or variable life insurance policies that contain provisions to allow a policyholder to reduce the face amount of the policy. The notice, which can be included in the billing statement, if it is sent out 30 days before lapse, would advise the policyholder of the amount owed to prevent the policy from lapsing and of the right to reduce the face amount of the policy to reduce the amount owed.

Currently, policy lapsing is one of the most common complaints the Maryland Insurance Administration (MIA) receives. Consumers with policies that include a provision allowing the policy face amount to be reduced may be able to reduce the premium owed to prevent lapse by reducing their face amount. This notice will again remind consumers that they may have an option to prevent their policy from lapsing.

The Maryland Insurance Administration supports Senate Bill 111 and urges the Committee to give Senate Bill 111 a favorable report.