

**Department of Legislative Services**  
Maryland General Assembly  
2004 Session

## FISCAL AND POLICY NOTE

## House Bill 696

(Delegates Feldman and Taylor)

## Economic Matters

## **Insurance - Cancellation of Policy for Nonpayment of Premium - Notice**

This bill authorizes an insurer, as an alternate method, to send the required written notice of intention to cancel a policy for nonpayment of premium by certificate of bulk mailing. The bill does not apply to life, health, surety, or private passenger motor vehicle liability insurance policies.

## Fiscal Summary

**State Effect:** Any change in oversight activities would not materially affect the finances of the Maryland Insurance Administration.

**Local Effect:** None.

### **Small Business Effect:** Minimal.

## Analysis

**Current Law:** For insurance policies other than life, health, surety, or private passenger motor vehicle liability insurance, at least 10 days before an insurer proposes to cancel a policy for nonpayment of premium, the insurer must send written notice to the insured by certificate of mailing.

**Background:** The fee charged by the U.S. Postal Service for certificate of mailing is \$0.30 per item listed on the Postal Service form. The fee for a bulk certificate of mailing is \$4.50 for up to 1,000 items, and \$0.50 for each additional 1,000 items.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 531 (Senator Astle) – Finance.

**Information Source(s):** Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - February 13, 2004

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