

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
ncs/ljm

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