
By: **Delegate Burns**

Introduced and read first time: February 10, 2006

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowner's Insurance - Premium Increase - Notice**

3 FOR the purpose of requiring insurers that intend to increase the premium for a
4 policy of homeowner's insurance to notify the insured in a certain manner; and
5 generally relating to premium increases for homeowner's insurance.

6 BY repealing and reenacting, without amendments,
7 Article - Insurance
8 Section 27-604
9 Annotated Code of Maryland
10 (2002 Replacement Volume and 2005 Supplement)

11 BY adding to
12 Article - Insurance
13 Section 27-604.1
14 Annotated Code of Maryland
15 (2002 Replacement Volume and 2005 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Insurance**

19 27-604.

20 (a) This section does not apply to:

21 (1) life insurance;

22 (2) health insurance;

23 (3) motor vehicle liability insurance issued to a resident of a household
24 in the State as set forth in § 27-605 of this subtitle;

25 (4) surety insurance;

1 (5) insurance written or issued by the Maryland Automobile Insurance
2 Fund; or

3 (6) an insurer that satisfies the Commissioner that it cannot reasonably
4 comply with the notice requirement in connection with certain risks or lines of
5 business.

6 (b) Whenever an insurer intends to increase a premium for a particular policy
7 written in the State by 20% or more, the insurer shall notify the insured and
8 insurance producer of the increase.

9 (c) The notice shall be sent by first-class mail to the insured and insurance
10 producer at least 45 days before the effective date of the proposed premium increase.
11 27-604.1.

12 (A) NOTWITHSTANDING THE REQUIREMENTS OF § 27-604 OF THIS SUBTITLE,
13 WHENEVER AN INSURER INTENDS TO INCREASE THE PREMIUM FOR A POLICY OF
14 HOMEOWNER'S INSURANCE WRITTEN IN THE STATE, THE INSURER SHALL NOTIFY
15 THE INSURED OF THE INCREASE.

16 (B) THE NOTICE SHALL BE SENT BY FIRST-CLASS MAIL TO THE INSURED AT
17 LEAST 45 DAYS BEFORE THE EFFECTIVE DATE OF THE PROPOSED PREMIUM
18 INCREASE.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2006.