

## CHAPTER 575

(Senate Bill 765)

AN ACT concerning

### Workers' Compensation Insurance - Notice - Premiums

FOR the purpose of establishing certain requirements for notice relating to premium amounts for renewal of workers' compensation insurance policies; ~~altering certain requirements relating to the renewal of workers' compensation and commercial insurance policies; altering the circumstances under which an insurer must provide a reasonable estimate of a renewal policy premium;~~ making this Act an emergency measure; providing for the application of this Act; and generally relating to certain requirements relating to notice and renewal of workers' compensation ~~and commercial~~ insurance policies.

BY repealing and reenacting, with amendments,  
 Article – Insurance  
 Section 27–608  
 Annotated Code of Maryland  
 (2006 Replacement Volume and 2006 Supplement)

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

#### Article – Insurance

27–608.

(a) This section applies [only to policies of commercial insurance] **TO:**

- (1) POLICIES OF COMMERCIAL INSURANCE; AND**
- (2) POLICIES OF WORKERS' COMPENSATION INSURANCE.**

(b) Unless an insurer has given notice of its intention not to renew a policy subject to this section, ~~if~~ the insurer seeks to increase the renewal policy premium by 20% or more, ~~if~~ the insurer shall send a notice to the named insured and insurance producer, if any, not less than 45 days prior to the renewal date of the policy.

(c) A notice under this section shall include:

(1) both the expiring policy premium and the renewal policy premium;  
and

(2) the telephone number for the insurer or insurance producer, if any, together with a statement that the insured may call to request additional information about the premium increase.

(d) (1) If ~~[an] THE INSURER SEEKS TO INCREASE THE RENEWAL POLICY PREMIUM BY 20% OR MORE AND THE~~ insurer's rating methodology requires the insured to provide information to calculate the renewal policy premium, an insurer shall provide a reasonable estimate of the renewal policy premium if:

(i) the insurer has requested the required information from the insured; and

(ii) the insurer has not received the requested information.

(2) A reasonable estimate under this subsection shall be based upon the information available to the insurer at the time the notice is sent.

(e) In determining the amount of a premium increase under this section, the insurer is not required to include premium resulting from:

(1) an increase in the units of exposure;

(2) the application of an experience rating plan;

(3) the application of a retrospective rating plan;

(4) a change made by the insured that increases the insurer's exposure; or

(5) an audit of the insured.

(f) A notice required by this section shall be sent by first-class mail and may be sent together with the renewal policy.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply to all ~~commercial and~~ workers' compensation ~~lines of property and~~

~~casualty~~ insurance policies issued, delivered, or renewed on or after the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

**Approved by the Governor, May 17, 2007.**