

SENATE BILL 85

C4

9lr0043

(PRE-FILED)

By: **Chair, Finance Committee (By Request - Departmental - Insurance Administration, Maryland)**

Requested: September 30, 2008

Introduced and read first time: January 14, 2009

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance - Notice of Cancellation or Nonrenewal - Mailing Address**

3 FOR the purpose of requiring certain notices of cancellation or nonrenewal to be sent
4 to the named insured at a certain address; and generally relating to notices of
5 cancellation or nonrenewal.

6 BY repealing and reenacting, with amendments,
7 Article - Insurance
8 Section 12-106(f)
9 Annotated Code of Maryland
10 (2003 Replacement Volume and 2008 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article - Insurance
13 Section 27-602(b), (c), and (d)
14 Annotated Code of Maryland
15 (2006 Replacement Volume and 2008 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 12-106.

20 (f) (1) Except as provided in paragraph (2) of this subsection, a notice of
21 cancellation under this section shall:

22 (i) be in writing;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (ii) have an effective date not less than 15 days after mailing;
- 2 (iii) state clearly and specifically the insurer's actual reason for
3 the cancellation; and
- 4 (iv) be sent by certificate of mail **TO THE NAMED INSURED'S**
5 **LAST KNOWN ADDRESS.**

6 (2) A notice of cancellation under this section for nonpayment of
7 premium shall:

- 8 (i) be in writing;
- 9 (ii) have an effective date of not less than 10 days after mailing;
- 10 (iii) state the insurer's intent to cancel for nonpayment of
11 premium; and
- 12 (iv) be sent by certificate of mail **TO THE NAMED INSURED'S**
13 **LAST KNOWN ADDRESS.**

14 27-602.

15 (b) (1) Whenever an insurer, as required by subsection (c) of this section,
16 gives notice of its intention to cancel or not to renew a policy subject to this section
17 issued in the State or before an insurer cancels a policy subject to this section issued in
18 the State for a reason other than nonpayment of premium, the insurer shall notify the
19 insured of the possible right of the insured to replace the insurance under the
20 Maryland Property Insurance Availability Act or through another plan for which the
21 insured may be eligible.

22 (2) The notice required by paragraph (1) of this subsection must:

- 23 (i) be in writing;
- 24 (ii) contain the current address and telephone number of the
25 offices of the appropriate plan; and
- 26 (iii) be sent to the **NAMED** insured **AT THE NAMED INSURED'S**
27 **LAST KNOWN ADDRESS** in the same manner and at the same time as the first written
28 notice of cancellation or of intention not to renew given or required by law, regulation,
29 or contract.

30 (c) (1) At least 45 days before the date of the proposed cancellation or
31 expiration of the policy, the insurer shall send to the **NAMED** insured **AT THE NAMED**
32 **INSURED'S LAST KNOWN ADDRESS**, by certificate of mail, a written notice of

1 intention to cancel for a reason other than nonpayment of premium or notice of
2 intention not to renew a policy issued in the State.

3 (2) An insurer shall maintain proof of mailing in a form authorized or
4 accepted by the United States Postal Service.

5 (3) Notice given to the insured by an insurance producer on behalf of
6 the insurer is deemed to have been given by the insurer for purposes of this
7 subsection.

8 (4) Notwithstanding paragraph (3) of this subsection, no notice is
9 required under this section if the insured has replaced the insurance.

10 (d) At least 10 days before the date an insurer proposes to cancel a policy for
11 nonpayment of premium, the insurer shall send to the **NAMED** insured, **AT THE**
12 **NAMED INSURED'S LAST KNOWN ADDRESS**, by certificate of mail, a written notice of
13 intention to cancel for nonpayment of premium.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2009.