

SENATE BILL 571

C4

11r1822
CF 11r1772

By: **Senator Pugh**

Introduced and read first time: February 4, 2011

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Delivery of Notices by Electronic Means – Authorized**

3 FOR the purpose of authorizing any notice to an insured or policyholder required
4 under certain provisions of law governing insurance policy cancellations,
5 nonrenewals, premium increases, and reductions of coverage to be delivered by
6 certain electronic means under certain circumstances; providing that delivery of
7 a notice by electronic means shall be considered equivalent to the delivery
8 method required under certain provisions of law; requiring this Act to be
9 construed in a manner consistent with a certain federal law; defining a certain
10 term; and generally relating to delivery of notices to insureds and policyholders.

11 BY adding to

12 Article – Insurance

13 Section 27–601.2

14 Annotated Code of Maryland

15 (2006 Replacement Volume and 2010 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 **27–601.2.**

20 **(A) IN THIS SECTION, “DELIVERED BY ELECTRONIC MEANS” INCLUDES:**

21 **(1) DELIVERY TO AN ELECTRONIC MAIL ADDRESS AT WHICH AN**
22 **INSURED OR A POLICYHOLDER HAS CONSENTED TO RECEIVE NOTICE; AND**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(2) POSTING ON AN ELECTRONIC NETWORK, TOGETHER WITH**
2 **SEPARATE NOTICE TO AN INSURED OR A POLICYHOLDER DIRECTED TO THE**
3 **ELECTRONIC MAIL ADDRESS AT WHICH THE INSURED OR POLICYHOLDER HAS**
4 **CONSENTED TO RECEIVE NOTICE OF THE POSTING.**

5 **(B) SUBJECT TO SUBSECTION (D) OF THIS SECTION, ANY NOTICE TO AN**
6 **INSURED OR POLICYHOLDER REQUIRED UNDER THIS SUBTITLE MAY BE**
7 **DELIVERED BY ELECTRONIC MEANS PROVIDED THE PROCESS USED TO OBTAIN**
8 **CONSENT OF THE INSURED OR POLICYHOLDER TO HAVE NOTICE DELIVERED BY**
9 **ELECTRONIC MEANS MEETS THE REQUIREMENTS OF TITLE 21, SUBTITLE 1 OF**
10 **THE COMMERCIAL LAW ARTICLE.**

11 **(C) DELIVERY OF A NOTICE IN ACCORDANCE WITH SUBSECTION (B) OF**
12 **THIS SECTION SHALL BE CONSIDERED EQUIVALENT TO ANY DELIVERY METHOD**
13 **REQUIRED UNDER THIS SUBTITLE, INCLUDING DELIVERY BY FIRST-CLASS MAIL,**
14 **CERTIFIED MAIL, CERTIFICATE OF MAIL, OR CERTIFICATE OF MAILING.**

15 **(D) THIS SECTION SHALL BE CONSTRUED IN A MANNER CONSISTENT**
16 **WITH THE FEDERAL ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL**
17 **COMMERCE ACT.**

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2011.