

Chapter 744

(House Bill 936)

AN ACT concerning

Health Insurance – Cancellation and Nonrenewal of Coverage – Required Notice

FOR the purpose of requiring that a carrier provide ~~the notice by certain electronic means, in addition to~~ written notice, of cancellation or nonrenewal of a small group market health benefit plan ~~by certified mail, return receipt requested, and by electronic means~~ and include information regarding additional health benefit coverage options in the notice; and generally relating to cancellation and nonrenewal of health benefit plans in the State.

BY repealing and reenacting, without amendments,

Article – Insurance

Section 15–1212(h)

Annotated Code of Maryland

(2017 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 15–1212(i)

Annotated Code of Maryland

(2017 Replacement Volume and 2024 Supplement)

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

Article – Insurance

15–1212.

(h) When a carrier elects not to renew a particular product for all small employers in the State, the carrier shall:

(1) provide notice of the nonrenewal at least 90 days before the date of the nonrenewal to:

(i) each affected:

1. small employer; and
2. enrolled employee; and

(ii) the Commissioner;

(2) offer to each affected small employer the option to purchase all other health benefit plans currently offered by the carrier in the small group market; and

(3) act uniformly without regard to the claims experience of any affected small employer, or any health status–related factor of any affected individual.

(i) **(1)** Within 7 days after cancellation or nonrenewal of a health benefit plan, the carrier shall send to each enrolled employee:

(I) written notice of its action ~~BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED; AND~~

(II) NOTICE DELIVERED BY ELECTRONIC MEANS THAT COMPLIES WITH **§ 27–601.2** OF THIS ARTICLE.

(2) THE NOTICE REQUIRED UNDER PARAGRAPH **(1)** OF THIS SUBSECTION SHALL INCLUDE INFORMATION ON ADDITIONAL HEALTH BENEFIT COVERAGE OPTIONS, INCLUDING CONTINUATION OF COVERAGE THROUGH THE CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA), IF AVAILABLE, AND PLANS AVAILABLE THROUGH THE MARYLAND HEALTH BENEFIT EXCHANGE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after January 1, 2026.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July 1, 2025~~ January 1, 2026.

Approved by the Governor, May 20, 2025.