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**TESTIMONY OF
THE
MARYLAND INSURANCE ADMINISTRATION
BEFORE THE
SENATE FINANCE COMMITTEE**

JANUARY 14, 2021

**SENATE BILL 226 – MARYLAND INSURANCE ADMINISTRATION - DELIVERY OF NOTICES AND
OTHER COMMUNICATIONS BY ELECTRONIC MEANS**

POSITION: SUPPORT

Thank you for the opportunity to provide written comments regarding Senate Bill 226. Senate Bill 226 updates the Insurance Article to allow for certain notices and communications between the Maryland Insurance Administration (MIA), consumers and carriers to be sent by electronic means in addition to traditional mail services.

Currently, the Insurance Article requires the MIA and insurers to follow a wide range of antiquated mailing practices. Depending on when a law was enacted, the statute may rely on first-class mail, certified mail, or first-class mail tracking. In more recent years, statutes have been drafted to allow for delivery by electronic means however older statutes have not been reevaluated and updated. For example, §27-601.2 of the Insurance Article entitled, “Delivery of notice by electronic means,” was enacted in 2017, and provides a statutory framework for insurance carriers in sending certain cancellations, nonrenewals, premium increases and reduction in coverage notices by electronic delivery to policyholders as long as a policyholder has consented to receiving these notices by electronic delivery.

The MIA has heavily relied on electronic communication throughout the COVID-19 pandemic which has required the majority of the MIA and the insurance industry to telework but because of certain antiquated mailing requirements in statute, MIA staff are still required to be physically in the office sending out certain correspondence that could more efficiently be sent in an email if the respondent agrees to an electronic delivery. Senate Bill 226 does not however remove an individual’s ability to continue to receive communications through traditional mail

services but merely provides an option to others to receive communications by electronic means, similar to what §27-601.2 permits for insurers.

The Maryland Insurance Administration supports Senate Bill 226 and urges the Committee to give Senate Bill 226 a favorable report.