

SB 226 Testimony - MIA - FAV.pdf

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Governor

BOYD K. RUTHERFORD
Lt. Governor



Maryland

INSURANCE ADMINISTRATION

KATHLEEN A. BIRRANE
Commissioner

JAY COON
Deputy Commissioner

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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.

SB226_MIA Electronic Communication_Support.pdf

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Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
2101 East Jefferson Street
Rockville, Maryland 20852

January 14, 2021

The Honorable Delores G. Kelley
Senate Finance Committee
3 East, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: SB 226 – Support

Dear Chair Kelley and Members of the Committee:

Kaiser Permanente supports SB 226, Maryland Insurance Administration – Delivery of Notices and Other Communications by Electronic Means.

Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.¹ Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 775,000 members. In Maryland, we deliver care to over 450,000 members.

Kaiser Permanente supports this legislation because the ability to communicate electronically with the MIA enables a prompt and direct flow of correspondence. This is particularly essential in mitigating the potential of extended postal mail delivery time due to the pandemic and should be useful in producing greater efficiency in time-sensitive matters.

Thank you for the opportunity to comment. Please feel free to contact Wayne Wilson at Wayne.D.Wilson@kp.org or (301) 816-5991 with questions.

Sincerely,

A handwritten signature in blue ink that reads "Wayne D. Wilson".

Wayne D. Wilson
Vice President, Government Programs and External Relations
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.

¹ Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation's largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente's members.