



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB936

Health Insurance - Cancellation and Nonrenewal of Coverage - Required Notice

Chair Pena-Melnyk, Vice Chair Cullison and esteemed members of the Health and Government Operations Committee,

Thank you for the opportunity to provide testimony in support of House Bill 936, a bill that ensures that health insurance policyholders receive proper notice when their health plans are canceled or not renewed, as well as alternate options available to them. Under current law, individuals and organizations may not always receive adequate and timely notice, leading to gaps in coverage that can have serious consequences for their health and financial stability.

As introduced, HB936 addresses this problem by requiring insurers to send written notices of cancellation or nonrenewal via certified mail with return receipt requested, as well as electronically. These notices must also include information on alternative coverage options, including COBRA and plans available on the Maryland Health Benefits Exchange, ensuring that policyholders have the resources necessary to make informed decisions about their healthcare.

For many individuals, families, and small businesses or organizations, the unexpected loss of health coverage can be devastating. Without proper notice, policyholders may be barred from securing new coverage if they miss the small qualifying enrollment window, leading to disruptions in medical treatment, financial strain, and increased reliance on emergency services. Strengthening notification requirements will help reduce the risk of individuals unknowingly losing access to essential medical care and ensure that those affected have the time and information needed to seek alternative plans.

The complexity of insurance policies, coupled with administrative delays, makes it significantly more difficult for policyholders to respond quickly when coverage is lost. By implementing clear and consistent notification requirements, HB936 reinforces consumer protections and promotes accountability in health insurance practices.

This is a simple yet meaningful reform that prioritizes transparency, prevents unnecessary hardship for Marylanders, and ensures that no one loses their healthcare coverage due to insufficient notice.

With that, I thank you for the committee's consideration of HB936, and I respectfully request a favorable report on this bill.