

# SENATE BILL 236

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CF HB 249

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By: **Senators Middleton, Kelley, and Klausmeier**

Introduced and read first time: January 22, 2010

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 16, 2010

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Insurance – Premium Increase for Commercial and Workers’ Compensation**  
3 **Insurance – Notice**

4 FOR the purpose of requiring an insurer to provide certain notice to an independent  
5 insurance producer of a premium increase for certain types of insurance in a  
6 certain manner; and generally relating to notice for premium increases for  
7 commercial and workers’ compensation insurance.

8 BY repealing and reenacting, without amendments,  
9 Article – Insurance  
10 Section 27–608(a) and (b)  
11 Annotated Code of Maryland  
12 (2006 Replacement Volume and 2009 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Insurance  
15 Section 27–608(g)  
16 Annotated Code of Maryland  
17 (2006 Replacement Volume and 2009 Supplement)

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

20 **Article – Insurance**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 27-608.

2 (a) (1) This section applies to:

3 (i) policies of commercial insurance; and

4 (ii) policies of workers' compensation insurance.

5 (2) This section does not apply to policies issued to exempt commercial  
6 policyholders, as defined in § 11-206(j) of this article.

7 (b) Unless an insurer has given notice of its intention not to renew a policy  
8 subject to this section, if the insurer seeks to increase the renewal policy premium, the  
9 insurer shall send a notice to the named insured and insurance producer, if any, not  
10 less than 45 days prior to the renewal date of the policy.

11 (g) An insurer shall be considered to have met the notice requirement of this  
12 section if, not less than 45 days before the effective date of the renewal policy, the  
13 insurer has sent:

14 (1) to the named insured ~~AND INSURANCE PRODUCER, IF ANY~~, a  
15 renewal policy that includes the renewal policy premium;

16 **(2) TO THE INDEPENDENT INSURANCE PRODUCER, IF ANY:**

17 **(I) A COPY OF THE RENEWAL POLICY THAT INCLUDES THE**  
18 **RENEWAL POLICY PREMIUM THROUGH POSTAL OR ELECTRONIC MAIL; OR**

19 **(II) AT THE SAME TIME AS THE INSURER SENDS THE**  
20 **RENEWAL POLICY TO THE INSURED, A NOTICE OF THE AVAILABILITY OF THE**  
21 **RENEWAL POLICY THROUGH THE INSURER'S ONLINE ELECTRONIC SYSTEM;**

22 ~~(3)~~ **(3)** to the named insured and insurance producer, if any, a written  
23 notice of renewal or continuation of coverage that includes the renewal or continuation  
24 premium; or

25 ~~(4)~~ **(4)** to the named insured and insurance producer, if any, a renewal  
26 offer that includes a reasonable estimate of the renewal policy premium.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
28 October 1, 2010.

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