

Department of Legislative Services  
Maryland General Assembly  
2021 Session

FISCAL AND POLICY NOTE  
Third Reader

Senate Bill 110

(Chair, Finance Committee)(By Request - Departmental -  
Maryland Insurance Administration)

Finance

Economic Matters

---

Private Passenger Motor Vehicle Liability Insurance - Notices - Alteration of  
Requirements

---

This departmental bill repeals the requirement that a motor vehicle liability insurer (1) send any cancellation and nonrenewal notice to an insured in triplicate and (2) send any premium increase notice to insured in duplicate. Instead, only a single copy of the notices must be sent.

---

Fiscal Summary

**State Effect:** The bill does not directly affect State operations or finances.

**Maryland Automobile Insurance Fund (MAIF) Effect:** The bill does not affect MAIF operations or finances; MAIF is not required to send the notices being modified by the bill.

**Local Effect:** The bill does not directly affect local government operations or finances.

**Small Business Effect:** The Maryland Insurance Administration (MIA) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

---

Analysis

**Current Law:** Generally, when a motor vehicle liability insurer proposes to cancel or fail to renew a policy, the insurer must notify the insured of its intent, by certified mail, at least 45 days before the proposed cancellation or expiration date of the policy. The notice must be sent in triplicate and on a form approved by the Commissioner.

Similarly, when a motor vehicle liability insurer proposes to increase the premium for a policy, the insurer must notify the insured of its intent, by first-class mail tracking method, at least 45 days before the effective date of proposed increase. The notice must be sent in duplicate and on a form approved by the Commissioner.

**Background:** MIA advises that the bill repeals antiquated requirements that were necessary for MIA's past complaint and protest processes. Before implementation of MIA's online complaint portal, an insured had to mail one or more of the original notices received to MIA in order to officially protest a policy nonrenewal, policy cancellation, or premium increase. Current practice allows an insured to protest by mailing the notice (or a copy of the notice) or by using the online complaint portal; therefore, it is no longer necessary for an insured to receive multiple copies of these notices from an insurer.

---

### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland Insurance Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - January 7, 2021  
rh/jc Third Reader - February 2, 2021

---

Analysis by: Richard L. Duncan

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510

**ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

TITLE OF BILL: Private Passenger Motor Vehicle Liability Insurance - Notices - Alteration of Requirements

BILL NUMBER: SB 110

PREPARED BY: Maryland Insurance Administration

**PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill:

  X   WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

       WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

**PART B. ECONOMIC IMPACT ANALYSIS**

There is no economic impact on small business associated with this proposal.