



August 10, 2009

MARYLAND HB 162 CHANGES COMMERCIAL POLICY PREMIUM NOTICE INCREASE REQUIREMENTS

- BACKGROUND** Maryland House Bill 162, effective January 1, 2010, modifies Section 27-108 in the Insurance Article pertaining to the notice of renewal premium increase for commercial and workers' compensation insurance.
- CHANGES** Prior to January 1, 2010, a 45 day notice is required for an increase of 20% or more. The new law will require such notice for any increase in premium. The five exceptions to the notice requirement dealing with coverage or exposure changes, audits, and experience and retrospective rating plans are unchanged.
- The law introduces methods that companies may use to meet the notice requirements. These include sending at least 45 days before the renewal effective date:
- The renewal policy that includes the renewal premium;
 - A written offer to renew that includes the renewal premium;
 - A renewal offer that includes a reasonable estimate of the renewal premium.
- COMPANY ACTION** Company's should modify their notice procedures accordingly. No filings are required to meet the HB 162 requirements.
- QUESTIONS** Contact Jan Kozlowski at (800) 935-6900.