

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 541
Finance

(Senator Feldman)

Portable Electronics Insurance - Required Notices - Method of Mailing

This bill authorizes a portable electronics insurer to send certain required notices to insureds by mail, instead of by a first-class mail tracking method, when the insurer is not authorized to send the notice through electronic means.

Fiscal Summary

State Effect: Maryland Insurance Administration special fund revenues increase minimally in FY 2017 due to \$125 rate and form filings fees. Review of the filings can be handled within existing resources.

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

Small Business Effect: None.

Analysis

Current Law/Background: Except as otherwise specified, an insurance producer may not sell, solicit, or negotiate any insurance unless licensed to produce insurance of that type. The Maryland Insurance Administration issues eight limited lines licenses for the sale of (1) title insurance; (2) travel insurance; (3) motor vehicle insurance; (4) health maintenance organization employees; (5) rental vehicle insurance; (6) credit insurance; (7) portable electronics insurance; and (8) viatical settlement brokers insurance.

Portable electronics insurers are required to provide written notice to insureds concerning a variety of issues related to the termination or changing of the terms and conditions of portable electronics insurance policies. Generally, Insurance Law specifies which of these

notices may be sent through an electronic means and which must be sent by a first-class mail tracking method. Prior to the enactment of Chapter 364 of 2014, portable electronics insurers were required to send the notices by a certificate of mail. Chapter 364 expanded insurers' options by requiring the notices to be sent through a first-class mail tracking method, which includes certificate of mail.

Additional Information

Prior Introductions: None.

Cross File: HB 575 (Delegate Jameson) - Economic Matters.

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

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md/ljm

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