

~~certain circumstances to make certain determinations;~~ and generally relating to the filing of a plan of withdrawal by certain insurers.

BY repealing and reenacting, with amendments,

Article 48A – Insurance Code

Section 240A

Annotated Code of Maryland

(1986 Replacement Volume and 1990 Supplement)

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

Article 48A – Insurance Code

240A.

(a) (1) Whenever an insurer gives notice of its intention to cancel or not to renew a policy of insurance other than life, health, motor vehicle liability insurance issued to any resident of a household in Maryland as set forth in § 240AA of this article, or surety insurance as defined in § 69 of this article issued in this State as required in paragraph (3) of this subsection, or before it cancels any such policy of insurance for a reason other than for nonpayment of premium, the insurer shall notify the insured of his possible right to replace such insurance through the Maryland property insurance availability plan, or any other plan, if there be such, and he may be eligible therefor.

(2) The notice shall contain the current address and telephone number of the offices of such plan. It shall be sent to the insured in the same manner and at the same time as the first written notice of cancellation or of intention not to renew given or required by law, regulation or contract.

(3) The insurer shall see that written notice of intention to cancel for a reason other than nonpayment of premium or notice of intention not to renew a policy issued in this State is sent to the insured not less than 45 days prior to the date of the proposed cancellation or expiration of the policy, as the case may be. Notice given the insured by an insurance broker or agent on behalf of the insurer shall be deemed to have been given by the insurer for the purposes of this subsection; provided, however, that no such notices shall be required where the agent or broker has replaced the insurance.

(b) (1) (I) Except in the case of life insurance, health insurance, and annuities, when an insurer intends to cancel or not renew a line of business, the insurer shall file a plan of withdrawal with the Commissioner, at least [60] 180 days before the date of proposed withdrawal.

(II) THE COMMISSIONER MAY ALLOW AN INSURER TO FILE A PLAN OF WITHDRAWAL NO LESS THAN 60 DAYS BEFORE THE DATE OF PROPOSED WITHDRAWAL IF THE COMMISSIONER DETERMINES THAT COMPLIANCE BY THE INSURER WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY RESULT IN:

1. THE IMPAIRMENT OF THE INSURER;