

CHAPTER 145

(Senate Bill 57)

AN ACT concerning

Insurance Policies - Cancellation or Nonrenewal - Statement of Actual Reason

FOR the purpose of requiring an insurer that cancels or refuses to renew certain insurance policies to provide the insured with a statement of the actual reason for the cancellation or refusal to renew; clarifying that the requirement to provide a statement of the actual reason applies only to a cancellation or nonrenewal of an existing policy and not to a refusal to issue a new policy; eliminating a requirement of a certain filing with the Insurance Commissioner; and generally relating to the cancellation or nonrenewal of certain insurance policies.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 27-602

Annotated Code of Maryland

(1997 Volume)

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

Article - Insurance

27-602.

(a) In this section, "applicant" means the person that seeks to purchase a renewal policy or to reinstate a canceled policy.

(b) (1) This section applies to the Maryland Property Insurance Availability Act and to any other plans that may be instituted to ensure availability of insurance, unless expressly excluded.

(2) This section does not apply to policies of:

- (i) life insurance;
- (ii) health insurance;
- (iii) motor vehicle liability insurance; or
- (iv) surety insurance.

(c) (1) Whenever an insurer cancels or refuses to renew a policy subject to this section, the insurer must provide to the applicant a statement of the actual reason for the cancellation or refusal to renew[, or notice that the actual reason will be provided on request,] if[