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## BULLETIN 25-XX

DATE: [INSERT DATE]

TO: All Property & Casualty Insurers

RE: Applicability of § 27-501(n)(2) to Commercial Insurance Policies

**The Maryland Insurance Administration will consider comments concerning this draft bulletin that are submitted to Kathryn Callahan (Director of Regulatory Policy), at [kathryn.callahan1@maryland.gov](mailto:kathryn.callahan1@maryland.gov), on or before October 13, 2025.**

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The Maryland Insurance Administration (“the Administration”) is issuing this Bulletin to notify all property & casualty insurers that § 27-501(n)(2) of the Insurance Article applies to commercial insurance policies.

The Administration has received inquiries from insurers, producers, and consumers regarding the applicability of § 27-501(n)(2), which reads as follows:

If an insurer considers claims history for purposes of canceling or refusing to renew coverage, the insurer shall disclose the practice to an insured at the inception of the policy and at each renewal.

As a general matter, § 27-501 applies to property & casualty insurers of all types and lines, including commercial insurers. However, there are certain provisions of § 27-501 that are expressly limited to specific lines or classes of coverage. For example: subsection (e) is limited to private passenger motor vehicle insurance, subsection (i) is limited to homeowner’s insurance, and subsection (m) is limited to commercial insurance and insurance provided by nonadmitted insurers. The statutory provision at issue does not contain language that limits its application to insurers of any particular types or lines.

The Supreme Court of Maryland has noted the longstanding rule that statutory language should be given its plain and ordinary meaning. *Lockshin v. Semsker*, 412 Md. 257, 275 (2010), *Board of Education v. Zimmer-Rubert*, 409 Md. 200, 214 (2009). Additionally, Maryland courts have held that the legislature’s decision to include a condition or limitation in one section of statutory text,

but decline to include it in another, can be taken as evidence that the exclusion was deliberate. *Lawrence v. State*, 475 Md. 384, 412 (2001).

The Administration is aware of an unofficial position interpreting § 27-501(n)(2) to apply only to private passenger motor vehicle insurance and homeowner's insurance, which is an incorrect interpretation of the law. This Bulletin clarifies the Administration's plain-language interpretation of the statute and its applicability to all property and casualty lines.

The Administration hereby directs any insurer that considers claims history for the purposes of canceling or refusing to renew coverage to ensure that its forms provide disclosure of this practice at the inception of the policy and at each renewal. Insurers with forms that do not provide this disclosure are directed to update their forms accordingly.

Marie Grant  
Insurance Commissioner

By: **Signature on Original**

Joy Y. Hachette  
Deputy Commissioner &  
Acting Associate Commissioner, Property & Casualty Insurance