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BULLETIN 04-10

Date: June 1, 2004

To: All Property and Casualty Insurers

Re: Termination of Contract Between Insurers and Producers

The Maryland Insurance Administration has recently determined that a number of insurers are sending notices of non-renewal and cancellation that do not comply with Section 27-503(c) of the Insurance Article. Section 27-503(c) of the Insurance Article, states:

(c) Termination of insurance producer's contract. -- An insurer may not cancel or refuse to renew a policy of the insured because of the termination of the insurance producer's contract.

In accordance with Maryland law, a policy **cannot** be non-renewed or canceled based on the termination of a producer's contract, regardless of the amount of time since the contract's cancellation.

Any questions about this bulletin should be directed to the Compliance and Enforcement Unit at (410) 468-2323.

P. Todd Cioni, Associate Commissioner
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