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Bulletin 25-16

Date: October 20, 2025

To: All Life & Health Insurers, Nonprofit Health Service Plans, Health Maintenance Organizations, Dental Plan Organizations ("Life & Health Carriers"), Property & Casualty Insurers and Producers; the Maryland Automobile Insurance Fund; the Chesapeake Employers Insurance Company; The Joint Insurance Association; and All Premium Finance Companies

Re: Cancellation of Life & Health and Property & Casualty Insurance Policies Due to Non-Payment of Premium

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The partial shutdown of the federal government is adversely impacting many Maryland residents. The Maryland Insurance Administration ("Insurance Administration") is committed to protecting Maryland consumers who are impacted during this very trying time. The insurance industry in Maryland has cooperated to assist residents and businesses in prior times of need, most notably during the COVID-19 pandemic, the Francis Scott Key Bridge collapse, and major weather events. **In light of the current difficult circumstances, the Insurance Administration is encouraging all carriers doing business in the State to stand in solidarity with our residents and local businesses by making reasonable accommodations to prevent those impacted by the partial federal shutdown from losing coverage due to non-payment of premium.** The Insurance Administration is urging carriers to consider, among other things, deferring premium payments, extending grace periods, accepting partial payment(s), and waiving late fees and penalties that would normally be owed as a result of a late payment.

Maryland-domiciled insurers that provide premium grace periods to policyholders may request a permitted accounting practice to waive the Statutory Accounting Principle that requires an insurer to non-admit premium receivable assets over 90 days past due. The permitted accounting practice will be effective for the year 2025. The number of days past due that will be allowed as an admitted asset will be based on an insurer's grace period. For example, an insurer that allows a 30-day grace period for all policies may request a permitted accounting practice to admit receivables up to 120 days past due. The request for a permitted accounting practice should include sufficient detail to support the request.

This Bulletin applies to both personal and commercial lines of property and casualty insurance and all lines of life and health insurance.

Questions about this Bulletin may be directed to Joy Hatchette, Deputy Commissioner at joy.hatchette@maryland.gov.

Marie Grant
Commissioner

By:

Signature on Original
Joy Hatchette, Deputy Commissioner