

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 240  
Finance

(Senator Kelley)

Economic Matters

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**Maryland Insurance Commissioner - Responsibility for Holding Hearings -  
Delegation**

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This bill expands the Insurance Commissioner's authority to delegate his or her responsibility for holding hearings under the Insurance Article, by allowing the Commissioner to designate one other Maryland Insurance Administration (MIA) employee who is admitted to practice law in the State to hold the hearings, in addition to currently authorized individuals.

The bill takes effect July 1, 2016.

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State governmental operations or finances.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The Insurance Commissioner is authorized to hold hearings for any purpose he or she considers necessary under the Insurance Article. A hearing must be held if it is required by any provision of the Insurance Article or, unless otherwise specified, if a person aggrieved by an act or failure to act of the Commissioner requests it. Within 30 days after receiving a demand for a hearing, the Commissioner must grant and, unless delayed by the mutual consent of all parties, hold a hearing or refuse the hearing. Any demand not addressed before the 30-day limit is refused. Hearings are exempt from the

provision of law that allows parties in a contested case to file exceptions against a proposed decision, unless the final decision maker personally presides over the hearing.

The Commissioner is authorized to delegate the responsibility for holding hearings to (1) the deputy commissioner; (2) an associate deputy commissioner; or (3) an associate commissioner.

**Background:** MIA advises that the bill addresses an issue it encountered when its designated hearing officer left the organization. A number of hearings have been delayed because associate commissioners are not allowed to hear cases that come out of their own units, and MIA tries to make sure that subject matter experts are present at its hearings. The bill gives the Commissioner more flexibility by letting an additional employee hold hearings.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - February 1, 2016  
kb/ljm Revised - Senate Third Reader - March 15, 2016

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Analysis by: Richard L. Duncan

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510