

Chapter 522

(Senate Bill 96)

AN ACT concerning

Insurance – Third Party Administrators – Term and Reinstatement of Registration

FOR the purpose of altering the date on which a third party administrator's registration expires; altering the date by which a certain application must be postmarked to be considered made in a timely manner; altering the period of time during which a third party administrator may reinstate an expired registration; altering the amount of the reinstatement fee a person whose third party administrator's registration has expired is required to pay; making conforming changes; and generally relating to registrations of third party administrators.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 8–308 and 8–308.1

Annotated Code of Maryland

(2017 Replacement Volume and 2019 Supplement)

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

Article – Insurance

8–308.

(a) A registration expires [at the end of every other June 30] **2 YEARS FROM THE DATE OF ISSUANCE** unless it is renewed as provided in this section.

(b) Before a registration expires, the registrant may renew it for an additional 2–year term, if the registrant:

(1) otherwise is entitled to be registered;

(2) files with the Commissioner a renewal application on the form that the Commissioner requires;

(3) pays to the Commissioner a renewal fee of \$50; and

(4) except as provided in § 8–306(d) of this subtitle, files with the Commissioner evidence of a bond in compliance with § 8–306 of this subtitle.

(c) An application for renewal of a registration shall be considered made in a timely manner if it is postmarked on or before ~~June 30 of the year of renewal~~ **THE DATE THE REGISTRATION EXPIRES.**

(d) The Commissioner shall renew the registration of each registrant that meets the requirements of this section.

8-308.1.

(a) [On or before September 30 of the renewal year,] **WITHIN 1 YEAR AFTER THE EXPIRATION DATE**, a person whose third party administrator's registration has expired may reinstate the expired registration by:

(1) filing with the Commissioner the appropriate reinstatement application;

(2) **SUBJECT TO SUBSECTION (B) OF THIS SECTION**, paying to the Commissioner [the applicable] A reinstatement fee [required under subsection (b) of this section] **OF \$100**; and

(3) complying with the bond requirement of § 8-306 of this subtitle.

(b) [(1) The fee for a reinstatement under this section shall be:

(i) the amount charged for a full renewal period for the type of registration held by the person seeking the reinstatement; and

(ii) 1. \$25 for reinstatement during the period from July 1 through July 31;

2. \$50 for reinstatement during the period from August 1 through August 31; and

3. \$75 for reinstatement during the period from September 1 through September 30.

(2) The Commissioner may limit the reinstatement fee to the amount of the renewal fee in cases where the reinstatement applicant did not make timely renewal because of temporary incapacity, hospitalization, or other hardship.

(c) A person whose third party administrator's registration has expired is prohibited from acting as a third party administrator until the effective date of reinstatement of the registration.

(d) A person who does not comply with subsection (a) of this section [on or before September 30 of the year of expiration] **WITHIN 1 YEAR AFTER THE EXPIRATION DATE** shall apply for a third party administrator's registration under § 8-305 of this subtitle and meet any other requirements specified by the Commissioner in regulation.

(e) The Commissioner may adopt regulations to carry out this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2020.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 8, 2020.