

SENATE BILL 96

C4

01r0041

(PRE-FILED)

By: **Chair, Finance Committee (By Request – Departmental – Maryland Insurance Administration)**

Requested: September 9, 2019

Introduced and read first time: January 8, 2020

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Third Party Administrators – Term and Reinstatement of**
3 **Registration**

4 FOR the purpose of altering the date on which a third party administrator's registration
5 expires; altering the period of time during which a third party administrator may
6 reinstate an expired registration; altering the amount of the reinstatement fee a
7 person whose third party administrator's registration has expired is required to pay;
8 making conforming changes; and generally relating to registrations of third party
9 administrators.

10 BY repealing and reenacting, with amendments,
11 Article – Insurance
12 Section 8–308 and 8–308.1
13 Annotated Code of Maryland
14 (2017 Replacement Volume and 2019 Supplement)

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

17 **Article – Insurance**

18 8–308.

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

21 (b) Before a registration expires, the registrant may renew it for an additional
22 2–year term, if the registrant:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) otherwise is entitled to be registered;

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

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

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

7 (c) An application for renewal of a registration shall be considered made in a
8 timely manner if it is postmarked on or before June 30 of the year of renewal.

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

11 8–308.1.

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

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

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

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

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

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

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

26 2. \$50 for reinstatement during the period from August 1
27 through August 31; and

28 3. \$75 for reinstatement during the period from September 1
29 through September 30.

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

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

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

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

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