

SENATE BILL 226

C4, P3

11r0039

(PRE-FILED)

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

Requested: September 29, 2020

Introduced and read first time: January 13, 2021

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Insurance Administration – Delivery of Notices and Other**
3 **Communications by Electronic Means**

4 FOR the purpose of authorizing the Maryland Insurance Commissioner to send certain
5 notices and communications by electronic means under certain circumstances;
6 authorizing, under certain circumstances, a person to send to the Commissioner
7 certain notices and communications by electronic means approved by the
8 Commissioner; providing, subject to certain provisions of law, that certain notices
9 and communications are to be presumed to have been received in the ordinary
10 course; making conforming and stylistic changes; and generally relating to the
11 Maryland Insurance Administration and the delivery of notices and other
12 communications.

13 BY adding to

14 Article – Insurance

15 Section 2–116

16 Annotated Code of Maryland

17 (2017 Replacement Volume and 2020 Supplement)

18 BY repealing and reenacting, with amendments,

19 Article – Insurance

20 Section 2–204(c), 4–112(b) and (e)(1), 6–109(b)(1) and (c)(2) and (3), 6–113, 8–423(b),

21 8–509(b), 9–225(e)(1) and (2), 10–121(m), 10–213, 13–116(b)(2), and

22 27–704(a)(1)

23 Annotated Code of Maryland

24 (2017 Replacement Volume and 2020 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

26 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Insurance

1
2 **2–116.**

3 **(A) THE COMMISSIONER MAY SEND A NOTICE OR OTHER COMMUNICATION**
4 **BY ELECTRONIC MEANS IF:**

5 **(1) THE COMMISSIONER IS REQUIRED TO DELIVER, GIVE, MAIL,**
6 **SERVE, OR OTHERWISE PROVIDE THE NOTICE OR OTHER COMMUNICATION IN**
7 **WRITING;**

8 **(2) THE RECIPIENT HAS PROVIDED AN E-MAIL ADDRESS TO THE**
9 **COMMISSIONER TO RECEIVE NOTICES OR OTHER COMMUNICATIONS;**

10 **(3) THE NOTICE OR OTHER COMMUNICATION IS SENT TO THE E-MAIL**
11 **ADDRESS PROVIDED BY THE RECIPIENT; AND**

12 **(4) THE COMMISSIONER MAINTAINS PROOF THAT THE NOTICE WAS**
13 **SENT TO THE RECIPIENT AT THE RECIPIENT’S E-MAIL ADDRESS.**

14 **(B) IF A PERSON IS REQUIRED TO SEND THE COMMISSIONER A NOTICE OR**
15 **OTHER COMMUNICATION, THE PERSON MAY SEND THE NOTICE OR OTHER**
16 **COMMUNICATION BY ELECTRONIC MEANS APPROVED BY THE COMMISSIONER.**

17 **(C) SUBJECT TO THE PROVISIONS OF THE MARYLAND UNIFORM**
18 **ELECTRONIC TRANSACTIONS ACT, A NOTICE OR OTHER COMMUNICATION SENT IN**
19 **ACCORDANCE WITH THIS SECTION SHALL BE PRESUMED TO HAVE BEEN RECEIVED**
20 **IN THE ORDINARY COURSE.**

21 **2–204.**

22 **(c) An order or notice may be served on a person by:**

23 **(1) mailing it to the person at the last known principal place of business of**
24 **the person, as listed in the records of the Commissioner; [or]**

25 **(2) ELECTRONIC MEANS IN ACCORDANCE WITH § 2–116 OF THIS**
26 **TITLE; OR**

27 **[(2)] (3) otherwise delivering it to the person.**

28 **4–112.**

1 (b) At least 2 months before a certificate of authority expires, the Commissioner
2 shall mail to the holder of the certificate of authority, at the last known address of the
3 holder, **OR BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE:**

4 (1) a renewal application form; and

5 (2) a notice that states:

6 (i) the date on which the current certificate of authority expires;

7 (ii) the date by which the Commissioner must receive the renewal
8 application for the renewal to be issued and mailed before the certificate of authority
9 expires; and

10 (iii) the amount of the renewal fee.

11 (e) (1) An insurer shall mail, **OR SEND BY ELECTRONIC MEANS IN**
12 **ACCORDANCE WITH § 2-116 OF THIS ARTICLE**, a renewal application and the applicable
13 renewal fee on or before June 30. An insurer that fails to renew its certificate of authority
14 on or before June 30 may forfeit:

15 (i) \$500 for each day from July 1 through July 10;

16 (ii) \$1,000 for each day from July 11 through July 31; and

17 (iii) \$5,000 for each day after July 31.

18 6-109.

19 (b) (1) If the amount of tax computed by the Commissioner is greater than the
20 amount shown on the report, the Commissioner shall:

21 (i) assess the excess amount; and

22 (ii) mail, **OR SEND BY ELECTRONIC MEANS IN ACCORDANCE**
23 **WITH § 2-116 OF THIS ARTICLE**, notice of the assessment to the person that filed the
24 report.

25 (c) (2) The Commissioner shall mail, **OR SEND BY ELECTRONIC MEANS IN**
26 **ACCORDANCE WITH § 2-116 OF THIS ARTICLE**, notice of the assessment to the person
27 at:

28 (i) its mailing **OR E-MAIL** address, if it has a mailing **OR E-MAIL**
29 address on file with the Commissioner; or

1 (ii) any other address of the person that appears on the records of
2 the Commissioner, if there is no mailing **OR E-MAIL** address on file with the Commissioner.

3 (3) If the person does not file the report within 15 days after the notice of
4 assessment is mailed **OR SENT ELECTRONICALLY**:

5 (i) the assessment is final; and

6 (ii) the amount of tax due on the assessment, including penalties and
7 interest, shall be collected as other taxes are collected.

8 6-113.

9 A declaration or report that must be filed under this subtitle complies with the filing
10 requirement if the declaration or report is:

11 (1) mailed and postmarked by the United States Postal Service on or before
12 the filing date; [or]

13 (2) delivered on or before the filing date to a private delivery service
14 recognized by the Commissioner, if the delivery is evidenced by a receipt; **OR**

15 **(3) SENT BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF**
16 **THIS ARTICLE.**

17 8-423.

18 (b) At least 1 month before a certificate of authority expires, the Commissioner
19 shall mail to the holder of the certificate of authority, at the last known address of the
20 holder, **OR SEND BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS**
21 **ARTICLE**:

22 (1) a renewal application form; and

23 (2) a notice that states:

24 (i) the date on which the current certificate of authority expires;

25 (ii) the date by which the Commissioner must receive the renewal
26 application for the renewal to be issued and mailed before the certificate of authority
27 expires; and

28 (iii) the amount of the renewal fee.

29 8-509.

1 (b) At least 1 month before a license expires, the Commissioner shall mail to the
2 licensee, at the last known address of the licensee, **OR SEND BY ELECTRONIC MEANS IN**
3 **ACCORDANCE WITH § 2-116 OF THIS ARTICLE:**

4 (1) a renewal application form; and

5 (2) a notice that states:

6 (i) the date by which the Commissioner must receive the renewal
7 application for the renewal to be issued and mailed before the license expires; and

8 (ii) the amount of the renewal fee.

9 9-225.

10 (e) (1) The Commissioner shall mail, **OR SEND BY ELECTRONIC MEANS IN**
11 **ACCORDANCE WITH § 2-116 OF THIS ARTICLE**, to each member or subscriber at the last
12 address of record with the insurer a notice that:

13 (i) states the amount of the assessment to be paid by the member or
14 subscriber;

15 (ii) specifies when the assessment should be paid; and

16 (iii) requires payment not less than 20 days after the Commissioner
17 mails the notice.

18 (2) In a proceeding to collect an assessment, it is not a defense that a
19 member or subscriber failed to receive the [mailed] notice or failed to receive the notice
20 within the time specified in the notice for payment of the assessment.

21 10-121.

22 (m) (1) A title insurance producer shall notify the Commissioner, and any
23 insurer with whom the title insurance producer holds an appointment, if an individual
24 licensed under this subtitle leaves the employment of or ends an association with the title
25 insurance producer.

26 (2) The title insurance producer required to provide notice under this
27 subsection shall notify the Commissioner within 5 working days after the day the
28 individual leaves employment or ends the association.

29 (3) The notice required under this subsection shall be:

30 (I) in writing; and

1 **(II) SENT** by certified mail **OR BY ELECTRONIC MEANS IN**
2 **ACCORDANCE WITH § 2-116 OF THIS ARTICLE.**

3 10-213.

4 If an application for a license is denied or a license is suspended or revoked, the
5 Commissioner immediately shall give notice to the applicant or licensee by:

6 **(1)** registered mail addressed to the applicant's or licensee's last address of
7 record with the Commissioner; **OR**

8 **(2) ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS**
9 **ARTICLE.**

10 13-116.

11 (b) (2) The security required under paragraph (1)(v) of this subsection may
12 consist of:

13 (i) cash;

14 (ii) an irrevocable letter of credit issued by a bank domiciled in the
15 State that may be terminated only after 30 days' written notice **SENT** by certified mail **OR**
16 **ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE** to the
17 Commissioner;

18 (iii) obligations, valued at the lower of market value or par value, that
19 are general obligations of, or obligations guaranteed by, the federal government, the State,
20 or a political subdivision of the State; or

21 (iv) any other type of security that would be acceptable to the
22 Commissioner if posted by a domestic insurer or foreign insurer.

23 27-704.

24 (a) (1) If the Commissioner has reason to believe that an unauthorized foreign
25 insurer or unauthorized alien insurer is engaging in unlawful advertising in violation of §
26 27-703 of this subtitle, the Commissioner shall give notice of the violation by certified mail,
27 **OR BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE**, to the
28 insurer and the insurance supervisory official of the domiciliary state of the insurer.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2021.