

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

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 5, 2021

CHAPTER _____

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

16 BY adding to
17 Article – Insurance
18 Section 2–116
19 Annotated Code of Maryland
20 (2017 Replacement Volume and 2020 Supplement)

21 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Insurance

2 Section 2–204(c), 4–112(b) and (e)(1), 6–109(b)(1) and (c)(2) and (3), 6–113, 8–423(b),
3 8–509(b), 9–225(e)(1) and (2), 10–121(m), 10–213, 13–116(b)(2), and
4 27–704(a)(1)

5 Annotated Code of Maryland

6 (2017 Replacement Volume and 2020 Supplement)

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

9 **Article – Insurance**

10 **2–116.**

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

13 **(1) THE COMMISSIONER IS REQUIRED TO DELIVER, GIVE, MAIL,**
14 **SERVE, OR OTHERWISE PROVIDE THE NOTICE OR OTHER COMMUNICATION IN**
15 **WRITING;**

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

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

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

22 **(B) IF A PERSON IS REQUIRED TO SEND THE COMMISSIONER A NOTICE OR**
23 **OTHER COMMUNICATION, AND THE PERSON IS NOT LICENSED, CERTIFIED, OR**
24 **OTHERWISE REGULATED BY THE COMMISSIONER:**

25 **(1) THE PERSON MAY SEND THE NOTICE OR OTHER COMMUNICATION**
26 **BY ELECTRONIC MEANS APPROVED BY THE COMMISSIONER ; AND**

27 **(2) THE COMMISSIONER MAY NOT REQUIRE THE PERSON TO SEND**
28 **THE NOTICE OR OTHER COMMUNICATION BY ELECTRONIC MEANS.**

29 **(C) THE COMMISSIONER MAY REQUIRE A PERSON WHO IS LICENSED,**
30 **CERTIFIED, OR OTHERWISE REGULATED BY THE COMMISSIONER TO SEND A NOTICE**
31 **OR OTHER COMMUNICATION BY ELECTRONIC MEANS.**

1 ~~(e)~~ **(D)** **SUBJECT TO THE PROVISIONS OF THE MARYLAND UNIFORM**
2 **ELECTRONIC TRANSACTIONS ACT, A NOTICE OR OTHER COMMUNICATION SENT IN**
3 **ACCORDANCE WITH THIS SECTION SHALL BE PRESUMED TO HAVE BEEN RECEIVED**
4 **IN THE ORDINARY COURSE.**

5 2–204.

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

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

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

11 **[(2)] (3)** otherwise delivering it to the person.

12 4–112.

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

16 (1) a renewal application form; and

17 (2) a notice that states:

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

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

22 (iii) the amount of the renewal fee.

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

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

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

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

1 6–109.

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

4 (i) assess the excess amount; and

5 (ii) mail, **OR SEND BY ELECTRONIC MEANS IN ACCORDANCE**
6 **WITH § 2–116 OF THIS ARTICLE**, notice of the assessment to the person that filed the
7 report.

8 (c) (2) The Commissioner shall mail, **OR SEND BY ELECTRONIC MEANS IN**
9 **ACCORDANCE WITH § 2–116 OF THIS ARTICLE**, notice of the assessment to the person
10 at:

11 (i) its mailing **OR E–MAIL** address, if it has a mailing **OR E–MAIL**
12 address on file with the Commissioner; or

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

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

17 (i) the assessment is final; and

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

20 6–113.

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

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

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

27 **(3) SENT BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2–116 OF**
28 **THIS ARTICLE.**

29 8–423.

1 (b) At least 1 month 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 SEND BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS**
4 **ARTICLE:**

5 (1) a renewal application form; and

6 (2) a notice that states:

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

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

11 (iii) the amount of the renewal fee.

12 8-509.

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

16 (1) a renewal application form; and

17 (2) a notice that states:

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

20 (ii) the amount of the renewal fee.

21 9-225.

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

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

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

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

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

4 10–121.

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

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

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

13 (I) in writing; and

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

16 10–213.

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

19 (1) registered mail addressed to the applicant’s or licensee’s last address of
20 record with the Commissioner; **OR**

21 (2) **ELECTRONIC MEANS IN ACCORDANCE WITH § 2–116 OF THIS**
22 **ARTICLE.**

23 13–116.

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

26 (i) cash;

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

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

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

6 27-704.

7 (a) (1) If the Commissioner has reason to believe that an unauthorized foreign
8 insurer or unauthorized alien insurer is engaging in unlawful advertising in violation of §
9 27-703 of this subtitle, the Commissioner shall give notice of the violation by certified mail,
10 **OR BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE**, to the
11 insurer and the insurance supervisory official of the domiciliary state of the insurer.

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.