

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	06/16/2014	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 7/25/2014

2. COMAR Codification

Title Subtitle Chapter Regulation

31 15 08 06

3. Name of Promulgating Authority

Maryland Insurance Administration

4. Name of Regulations Coordinator

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5. Name of Person to Call About this Document

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6. Check applicable items:

New Regulations

MARYLAND INSURANCE ADMINISTRATION

Subtitle 15 UNFAIR TRADE PRACTICES

31.15.08 Payment of Claims Under Life and Health Policies Annuity Contracts

Authority: Health General Article, §19-706(g) Insurance Article, §1-301, 2-109, 2-205, 2-207, 4-113, 8-455, 10-102, 10-103, 10-118, 10-126, 10-130, 10-131, 10-401—10-406, 10-410, 14-112, 14-124, 14-407, 14-408, 14-409, 14-416, 15-1004, 15-1005, 27-102, Title 15, Subtitle 7, and Title 27, Subtitle 3, Annotated Code of Maryland

Notice of Proposed Action

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The Insurance Commissioner proposes to amend Regulation .06 under COMAR 31.15.08 Payment of Claims Under Life and Health Policies Annuity Contracts.

Statement of Purpose

The purpose of this action is to change an incorrect reference to an “insured” in Regulation .06 under COMAR 31.15.08. Regulation .06 implements §27-304 of the Insurance Article, Annotated Code of Maryland, which lists unfair claim settlement practices that when committed with a specified frequency, constitute a general business practice. Section 27-304 does not apply to an “insured”; rather it applies to an “insurer, nonprofit health service plan, or health maintenance organization.” Regulation .06 is being updated to omit the incorrect reference to “insured” in section A, and to replace it with “insurer, nonprofit health service plan, or health maintenance organization,” consistent with §27-304.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Katrina Lawhorn, Regulations Coordinator, Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, or call 410-468-2450, or email to katrina.lawhorn@maryland.gov, or fax to 410-468-2020. Comments will be accepted

through August 25, 2014. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2015

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

No

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

No additional funds are needed to implement these changes.

E. If these regulations have no economic impact under Part A, indicate reason briefly:

The purpose of this amendment is to correct an incorrect reference in the regulation.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

These amendments would have no impact on small businesses.

G. Small Business Worksheet:

Attached Document:

Title 31 MARYLAND INSURANCE ADMINISTRATION

Subtitle 15 UNFAIR TRADE PRACTICES

Chapter 08 Payment of Claims Under Life and Health Policies and Annuity Contracts

Authority: Health General Article, §19-706(g); Insurance Article, §§1-301, 2-109, 2-205, 2-207, 4-113, 8-455, 10-102, 10-103, 10-118, 10-126, 10-130, 10-131, 10-401—10-406, 10-410, 14-112, 14-124, 14-407, 14-408, 14-409, 14-416, 15-1004, 15-1005, 27-102, Title 15, Subtitle 7, and Title 27, Subtitle 3, Annotated Code of Maryland

.06 General Business Practices.

A. The methodology of §B of this regulation shall be used to determine whether an [insured] *insurer, nonprofit health service plan, or health maintenance organization* has engaged in unfair claim settlement practices with such frequency as to constitute a general business practice within the meaning of Insurance Article, §27-304, Annotated Code of Maryland.

B. (text unchanged)

