

**Maryland General Assembly  
Department of Legislative Services**

**Reproposed Regulations  
Maryland Insurance Administration  
(DLS Control No. 15-102)**

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**Overview and Legal and Fiscal Impact**

The reproposed regulations make substantive changes to regulations relating to credit life and credit health insurance and credit involuntary unemployment benefit insurance that were published in the *Maryland Register* on January 23, 2015 (42:2 Md. R. 274-275). The reproposed regulations remove certain notice requirements from the regulations.

The reproposed regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

**Regulations of COMAR Affected**

**Maryland Insurance Administration:**

Credit Life and Credit Health Insurance: Standards for Credit Life and Credit Health Insurance: COMAR 31.13.01.04, .09, .13, .17, and .24

Standards for Involuntary Unemployment Benefit Insurance: COMAR 31.13.03.19

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**Legal Analysis**

**Summary of Regulations**

As published in the *Maryland Register*, COMAR 31.13.01.24 and 31.13.03.19 required, for credit health and credit life insurance policies and credit involuntary unemployment benefit insurance policies, respectively, that if a benefit under the policies might be taxable as personal income to the debtor, notice to that effect must be given in the individual policy or in the certificate of insurance issued under a group policy. The regulations also specified the manner in which notice must be given. The reproposed regulations remove these notice requirements from the regulations.

**Legal Issue**

The reproposed regulations present no legal issues of concern.

## **Statutory Authority and Legislative Intent**

The Maryland Insurance Administration cites §§ 2–109, 13–110, 13–111, and 13–112 of the Insurance Article and Title 12, Subtitle 3 of the Commercial Law Article as legal authority for the repropoed regulations.

Section 2–109 of the Insurance Article authorizes the Maryland Insurance Commissioner to adopt regulations to carry out the article. Section 13–110 governs the filing and approval of forms for policies, certificates of insurance, notices of proposed insurance, applications for insurance, endorsements, and riders delivered or issued for delivery in the State and related schedules of premium rates. Section 13–111 governs premium rates for policies of credit life insurance, credit health insurance, or credit involuntary unemployment benefit insurance. Section 13–112 governs refunds for these policies.

Title 12, Subtitle 3 of the Commercial Law Article governs certain credit provisions under the Maryland Consumer Loan Law. Of note, § 12–312 governs certain prohibited and permitted activities by lenders relating to insurance coverage.

This authority is correct and complete. The repropoed regulations comply with the legislative intent of the law.

## **Fiscal Analysis**

There is no fiscal impact on State or local agencies.

### **Agency Estimate of Projected Fiscal Impact**

The administration advises that the regulations have minimal or no impact on State or local governments. The Department of Legislative Services concurs.

### **Impact on Budget**

There is no impact on the State operating or capital budget.

### **Agency Estimate of Projected Small Business Impact**

The administration advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

## **Contact Information**

**Legal Analysis:** Judith D. Markoya – (410) 946/(301) 970-5350

**Fiscal Analysis:** Richard L. Duncan – (410) 946/(301) 970-5510