

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	06/02/2015	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 7/10/2015

2. COMAR Codification

Title Subtitle Chapter Regulation

31 13 01 04, .09, .13, .17

3. Name of Promulgating Authority

Maryland Insurance Administration

4. Name of Regulations Coordinator

Catherine E Grason

Telephone Number

410-468-2201

Mailing Address

200 St. Paul Place, Suite 2700

City State Zip Code

Baltimore MD 21202

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Catherine.Grason@maryland.gov

5. Name of Person to Call About this Document

Catherine Grason

Telephone No.

410-468-2201

Email Address

catherine.grason@maryland.gov

6. Check applicable items:

- New Regulations
- Amendments to Existing Regulations
 - Date when existing text was downloaded from COMAR online: .
- Repeal of Existing Regulations
- Recodification
- Incorporation by Reference of Documents Requiring DSD Approval

X- Reproposal of Substantively Different Text:

42: 2 Md. R 274-275 1/23/15
 (vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: 15-048-P.

7. Is there emergency text which is identical to this proposal:

- Yes **X- No**

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by J. Van Dorsey, Assistant Attorney General, (telephone #410-468-2023) on 5/27/15. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Alfred W. Redmer, Jr.

Title

Insurance Commissioner

Telephone No.

410-468-2090

Date

6/1/15

Title 31
MARYLAND INSURANCE ADMINISTRATION
Subtitle 13 CREDIT LIFE AND CREDIT HEALTH INSURANCE

31.13.01 Standards for Credit Life and Credit Health Insurance

Authority: See attached.

Notice of Proposed Action

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The Insurance Commissioner proposes to amend Regulations .04, .09, .13, and .17 under COMAR 31.13.01 Standards for Credit Life and Credit Health Insurance. Since substantive changes have been made to the original proposal as published in 42:2 Md. R. 274-275 (January 23, 2015), this action is being repropose at this time.

Statement of Purpose

The purpose of this action is to make certain changes to COMAR 31.13.01 considered during the MIA's review of COMAR 31.13 under the Regulatory Review and Evaluation Act.

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 Catherine Grason, Director of Regulatory Affairs, Maryland Insurance Administration, 200 Saint Paul Place, Ste. 2700, Baltimore, MD 21202, or call 410-468-2201, or email to insuranceregreview.mia@maryland.gov, or fax to 410-468-2020. Comments will be accepted through July 27, 2015. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 16

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

Yes

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

These regulations can be implemented with existing Insurance Regulatory funds.

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

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

The cost of amending insurance forms for legality is nominal, and is a standard expense for entities participating in the business of insurance.

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 proposed regulations would apply to a small business only to the extent that a carrier would fall under the definition of “small business”; however, the cost of amending insurance forms for legality is nominal, and is a standard expense for entities participating in the business of insurance.

G. Small Business Worksheet:

Attached Document:

Title 31 MARYLAND INSURANCE ADMINISTRATION

Subtitle 13 CREDIT LIFE AND CREDIT HEALTH INSURANCE

31.13.01 Standards for Credit Life and Credit Health Insurance

Authority: Insurance Article, §§2-109, 13-110, 13-111, and 13-112, Commercial Law Article, Title 12, Subtitle 3, Annotated Code of Maryland

.04 (originally proposed text unchanged)

.09 (originally proposed text unchanged)

.13 (originally proposed text unchanged)

.17 (originally proposed text unchanged)

.24 Notice to Debtors.

A.-D. (originally proposed text unchanged)

[[[E. *Notice That Benefit May Be Subject to Personal Income Tax.*

(1) *If a credit health insurance policy is issued under which the benefit may be taxable as personal income to the debtor, then there shall be a notice to this effect in the individual policy or in certificates of insurance issued under a group policy.*

(2) *The notice under §E(1) of this regulation shall be prominently printed or stamped close to the schedule of benefits in the policy and in the certificate form.]]]*

31.13.03 Standards for Credit Involuntary Unemployment Benefit Insurance

Authority: Insurance Article, §2-109 and Title 13, Annotated Code of Maryland

.19 Notice to Debtors.

A.-B. (originally proposed text unchanged)

[[[C. *Notice That Benefit May Be Subject to Personal Income Tax.*

(1) *If a credit involuntary unemployment benefit insurance policy is issued under which the benefit may be taxable as personal income to the debtor, then there shall be a notice to this effect in the individual policy or in certificates of insurance issued under a group policy.*

(2) *The notice under §C(1) of this regulation shall be prominently printed or stamped close to the schedule of benefits in the policy and in the certificate form.*

[C]D. (text unchanged)]] **C. (text unchanged)**