

MARYLAND REGISTER

## Proposed Action on Regulations

<b>Transmittal Sheet</b>  <b>PROPOSED OR REPROPOSED</b>  <b>Actions on Regulations</b>	<b>Date Filed with AELR Committee</b>	<b>TO BE COMPLETED BY DSD</b>
	10/08/2015	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

**1. Desired date of publication in Maryland Register: 11/13/2015**

**2. COMAR Codification**

**Title Subtitle Chapter Regulation**

31	15	06	01
31	15	07	00, .02
31	15	08	00
31	15	10	00, .04
31	15	11	00, .07

**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

<b>City</b>	<b>State</b>	<b>Zip Code</b>
Baltimore	MD	21202

**Email**

Catherine.Grason@maryland.gov

**5. Name of Person to Call About this Document**

Catherine E. 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: 9/8/15.

Repeal of Existing Regulations

Recodification

Incorporation by Reference of Documents Requiring DSD Approval

Reproposal of Substantively Different Text:

: Md. R  
(vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: --P.

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

Yes  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 10/5/15. A written copy of the approval is on file at this agency.

**Name of Authorized Officer**

Alfred W. Redmer, Jr.

**Title**

**Telephone No.**

**Date**

10/5/15

**Title 31**  
**MARYLAND INSURANCE ADMINISTRATION**

**Subtitle 15 UNFAIR TRADE PRACTICES**

**31.15.06 Filing or Service Fees in Connection with Certificates of Financial Responsibility**

**Subtitle 15 UNFAIR TRADE PRACTICES**

**31.15.07 Payment of Claims Under Property and Casualty and Title Insurance Policies**

**Subtitle 15 UNFAIR TRADE PRACTICES**

**31.15.08 Payment of Claims Under Life and Health Policies and Annuity Contracts**

**Subtitle 15 UNFAIR TRADE PRACTICES**

**31.15.10 Homeowner's Insurance and Private Passenger Motor Vehicle Insurance — Standards for Cancellation and Nonrenewal**

**Subtitle 15 UNFAIR TRADE PRACTICES**

**31.15.11 Use of Credit History in Underwriting and Rate Making**

Authority: See attached.

**Notice of Proposed Action**

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The Insurance Commissioner proposes to adopt amendments to: Regulation .01 under COMAR 31.15.06 Filing or Service Fees in Connection with Certificates of Financial Responsibility; the enabling authority and Regulation .02 of 31.15.07 Payment of Claims Under Property and Casualty and Title Insurance Policies; the enabling authority for 31.15.08 Payment of Claims Under Life and Health Policies and Annuity Contracts; the enabling authority for 31.15.10 Homeowner's Insurance and Private Passenger Motor Vehicle Insurance — Standards for Cancellation and Nonrenewal; and the enabling authority and Regulation .07 of 31.15.11 Use of Credit History in Underwriting and Rate Making.

## **Statement of Purpose**

The purpose of this action is to to make certain technical changes consistent with the Maryland Insurance Administration's Evaluation Report on COMAR 31.15 Unfair Trade Practices. Specifically:

- (1) to repeal an obsolete reference in 31.15.06 to the Insurance Division of the Department of Licensing and Regulation (now the Department of Labor, Licensing and Regulation) and replace it with a reference to the Maryland Insurance Administration;
- (2) to repeal an unnecessary reference in the authority line for 31.15.07 to Insurance Article, §§10-401 – 406, Annotated Code of Maryland;
- (3) to correct an inaccurate cross reference to the definition of “appointment” in the Insurance Article in 31.15.07.02B(7)(c);
- (4) to remove §8-455 from the enabling authority for 31.15.08 as it has been repealed from the Insurance Article;
- (5) to remove the following Insurance Article sections from the enabling authority for 31.15.08 that are not relevant: §§10-118, 10-130, 14-124, 14-416, and 15-1004;
- (6) to add §4-114 from the Insurance Article to the enabling authority for 31.15.08 as it is appropriate and relevant;
- (7) to repeal citations of chapter laws in the enabling authority for 31.15.10 that are no longer necessary since the chapter laws have taken effect;
- (8) to amend 31.15.10.04D to add a cross reference to §27-610 of the Insurance Article;
- (9) to amend the authority line for 31.15.11 to repeal a citation of a chapter law that is no longer necessary since the chapter law has taken effect; and
- (10) to correct obsolete cross references in 31.15.11.07 to the State Government Article, now the General Provisions Article.

## **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](mailto:insuranceregreview.mia@maryland.gov), or fax to 410-468-2020. Comments will be accepted through December 14, 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?

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 funds are necessary for the implementation of these technical changes.

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

No funds are necessary for the implementation of these technical changes.

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 technical changes have no substantive impact on small businesses.

G. Small Business Worksheet:

**Attached Document:**

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# **Title 31 MARYLAND INSURANCE ADMINISTRATION**

## **Subtitle 15 UNFAIR TRADE PRACTICES**

### **Chapter 06 Filing or Service Fees in Connection with Certificates of Financial Responsibility**

Authority: Insurance Article, §§2-109 and 27-216(b), Annotated Code of Maryland

#### **.01 Prohibited Practice.**

Any charge in addition to the established premium as filed with [this Division] *the Maryland Insurance Administration* by the writing company, as a so-called filing or service fee in connection with the writing of any motor vehicle liability or property damage policy, or both, or the filing of any certificate of financial responsibility with the Motor Vehicle Administration in connection with any policy, is forbidden.

### **Chapter 07 Payment of Claims Under Property and Casualty and Title Insurance Policies**

Authority: Insurance Article, §§1-301, 2-109, 2-205, 2-207, 4-113, 10-126, [10-401 – 10-406,] 10-410, 19-505, 19-506, 19-508, and 27-301 – 27-306, Annotated Code of Maryland

#### **.02 Definitions.**

- A. (text unchanged)
- B. Terms Defined.
  - (1) – (6) (text unchanged)
  - (7) “Notification of a claim” means notification by a claimant, in writing or by other means acceptable under the terms of the insurance policy, which reasonably apprises the insurer of the facts pertinent to the claim and which is made:
    - (a) – (b) (text unchanged)
    - (c) To an insurer or its producer who has an appointment from that insurer as defined in Insurance Article, [§1-101(g),] §1-101(f), Annotated Code of Maryland, in all other cases.
  - (8) – (12) (text unchanged)

### **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, 4-114, [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

### **Chapter 10 Homeowner's Insurance and Private Passenger Motor Vehicle Insurance — Standards for Cancellation and Nonrenewal**

Authority: Insurance Article, §§2-109 and 27-501, Annotated Code of Maryland[; Chapters 651 and 652, Acts of 1998].

#### **.04 Action Based on Claims History.**

- A.-C. (text unchanged)
- D. Providing Disclosure Notice at Renewal. An insurer shall provide the disclosure notice required by §B of this regulation to an insured at each renewal of a policy by including the disclosure notice in a conspicuous location on the notice of renewal premium required by Insurance Article, [§27-607] §27-607 and 27-610, Annotated Code of Maryland.

### **Chapter 11 Use of Credit History in Underwriting and Rate Making**

Authority: Insurance Article, §§2-109, 11-101, 11-306, 11-307, 27-212(d), 27-406, 27-501, and 27-605; Annotated Code of Maryland[; Ch. 580, Acts of 2002]

#### **.07 Private Passenger Motor Vehicle Insurance—Obtaining Credit History.**

- A.-C. (text unchanged)
- D. Confidentiality of Information.
  - (1) An insurer that submits a written standard to the Commissioner under §C of this regulation may, under Insurance Article, §27-501(h)(4), Annotated Code of Maryland, request a finding by the Commissioner that its written standard be considered a trade secret or confidential commercial information under [State Government Article, §10-617(d)] *General Provisions Article, §4-335*, Annotated Code of Maryland.
  - (2) (text unchanged)

(3) A finding that information submitted to the Commissioner under this chapter is a trade secret or confidential commercial information under [State Government Article, Title 10, Subtitle 6] *General Provisions Article, §4-335*, Annotated Code of Maryland:

(a) Applies only to an application for inspection of a public record under [State Government Article, Title 10, Subtitle 6] *General Provisions Article, Title 4*, Annotated Code of Maryland;

(b)-(c) (text unchanged)

(4)-(5) (text unchanged)