

**Maryland General Assembly  
Department of Legislative Services**

**Proposed Regulation  
Maryland Insurance Administration  
(DLS Control No. 15-292)**

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## **Overview and Legal and Fiscal Impact**

The regulation makes technical changes to the definition of “examination report” for purposes of COMAR 31.02.01, which governs contested case hearings that are heard by the Maryland Insurance Administration or delegated to the Office of Administrative Hearings (OAH) by the administration.

The regulation presents no legal issues of concern.

There is no fiscal impact on State or local agencies.

## **Regulation of COMAR Affected**

### **Maryland Insurance Administration:**

Powers and Duties-Hearings: Hearings: COMAR 31.02.01.02

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## **Legal Analysis**

### **Summary of Regulation**

COMAR 31.02.01 establishes procedures for contested case hearings that are heard by the administration or delegated by the administration to OAH. Under this chapter, “examination report” is defined to mean a report of the examination of various entities involved in the insurance business in the State, including an accepted insurer (Regulation .02B(5)(a)(iii)) and the Injured Workers’ Insurance Fund (Regulation .02B(5)(a)(xiii)). The regulation makes technical changes necessitated by recent changes in the law. Specifically:

- In Regulation .02B(5)(a)(iii), the regulation substitutes the reference to an “accredited” reinsurer for the reference to an “accepted” reinsurer to conform to changes made by Chapter 321 of 2013; and
- In Regulation .02B(5)(a)(xiii), the regulation substitutes a reference to the “Chesapeake Employers’ Insurance Company” for the reference to the “Injured Workers’ Insurance Fund,” and a cross-reference to an examination under “Insurance Article, § 24-304(d)(1)” for an examination under “Labor and Employment Article, § 10-125” to conform to changes made by Chapter 570 of 2012.

According to the administration, the changes made by the regulation are consistent with the administration's Evaluation Report for COMAR 31.02 – Powers and Duties – Hearings.

### **Legal Issues**

The regulation presents no legal issues of concern.

### **Statutory Authority and Legislative Intent**

The administration cites §§ 2-109 and 2-205 through 2-215 of the Insurance Article and § 10-206 of the State Government Article as statutory authority for the regulation. More specifically, the regulation is authorized by § 2-109(a)(1) of the Insurance Article, which establishes the general authority of the Maryland Insurance Commissioner to adopt regulations to carry out the Insurance Article. Section 2-209 establishes the requirements for examination reports. The remaining cited authority is not relevant to the regulation.

The relevant cited authority is correct and complete. The regulation complies with the legislative intent of the law.

### **Technical Corrections and Special Notes**

The administration has been notified about, and has agreed to correct, the cross-reference in Regulation .02B(5)(a)(xiii) to § 24-304(d)(1) of the Insurance Article, which was substituted for an obsolete reference to a provision of the Labor and Employment Article. The reference should be to § 24-304(e)(1) as Chapter 4 of 2014 renumbered subsection (d) to be subsection (e). The administration has indicated that the correction will be made when the regulation is published in the *Maryland Register*.

### **Fiscal Analysis**

There is no fiscal impact on State or local agencies.

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

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

### **Contact Information**

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