

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>
	06/22/2016	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

**1. Desired date of publication in Maryland Register: 8/5/2016**

**2. COMAR Codification**

**Title Subtitle Chapter Regulation**

31 09 06 01

**3. Name of Promulgating Authority**

Maryland Insurance Administration

**4. Name of Regulations Coordinator**

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**Title 31**  
**MARYLAND INSURANCE ADMINISTRATION**  
**Subtitle 09 LIFE INSURANCE AND ANNUITIES**  
**31.09.06 Notice of Nonforfeiture Provisions in Lapsed Life Policies**  
Authority: Insurance Article, §2-109 and Title 16, Subtitle 3, Annotated Code of  
Maryland

**Notice of Proposed Action**

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The Insurance Commissioner proposes to amend Regulation .01 under COMAR 31.09.06 Notice Requirement.

**Statement of Purpose**

The purpose of this action is to amend COMAR 31.09.06.01 with a technical change to replace the word "association" with the word "society" to conform with Insurance Article §8-402, Annotated Code of Maryland, and other sections in COMAR.

**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 Lisa Larson, Assistant Director of Regulatory Affairs, Maryland Insurance Administration, 200 Saint Paul Place, Ste. 2700, Baltimore, MD 21202, or call 410-468-2007, or email to [insuranceregreview.mia@maryland.gov](mailto:insuranceregreview.mia@maryland.gov), or fax to 410-468-2020. Comments will be accepted through September 5, 2016. A public hearing has not been scheduled.

## Economic Impact Statement Part C

- A. Fiscal Year in which regulations will become effective: FY 17
- 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 needed to implement the proposed amendment to the regulation.
- E. If these regulations have no economic impact under Part A, indicate reason briefly:  
This change is technical, no additional funding is needed for implementation.
- F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.  
This change is technical, no additional funding is needed for implementation.
- G. Small Business Worksheet:

Attached Document:

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# **Title 31 MARYLAND INSURANCE ADMINISTRATION**

## **Subtitle 09 LIFE INSURANCE AND ANNUITIES**

### **Chapter 06 Notice of Nonforfeiture Provisions in Lapsed Life Policies**

Authority: Insurance Article, §2-109 and Title 16, Subtitle 3, Annotated Code of Maryland

#### **.01 Notice Requirement.**

For any industrial or ordinary policy of insurance on the life of a resident of this State issued by any life insurance company or fraternal benefit [association] *society* operating in Maryland, when the policy has a cash, paid-up, or extended insurance or other equity at the time of lapse and when none of these equities is automatically granted by the policy without application by the insured, upon lapse of the policy, written notice shall be mailed to the last known address of the insured within not less than 30 days before the expiry of the period within which the insured may apply for the equity value. This notice shall state the nature of the equity to which the insured is entitled and the date before which application for the equity is required to be made.