

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>
	07/25/2016	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

**1. Desired date of publication in Maryland Register: 8/19/2016**

**2. COMAR Codification**

**Title Subtitle Chapter Regulation**

31 08 12 06

**3. Name of Promulgating Authority**

Maryland Insurance Administration

**4. Name of Regulations Coordinator**

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**Title 31**  
**MARYLAND INSURANCE ADMINISTRATION**  
**Subtitle 08 PROPERTY AND CASUALTY INSURANCE**

**31.08.12 Temporary Moratoriums and Weather Events**

Authority: Insurance Article, §§2-108, 2-109, 19-107, and 27-501, Annotated Code of Maryland

**Notice of Proposed Action**

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The Insurance Commissioner proposes to repeal Regulation .06 under COMAR 31.08.12 Temporary Moratoriums and Weather Events.

**Statement of Purpose**

The purpose of this action is to repeal Regulation .06 under COMAR 31.08.12 to remove the requirement that insurers give notice to the Insurance Commissioner prior to activating a temporary moratorium. This change will make it easier for insurers to activate a temporary moratorium at the time of a specified event or emergency as listed under COMAR 31.08.12.03.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**Estimate of Economic Impact**

**I. Summary of Economic Impact.**

The proposed amendment to this regulation will have a minimal impact on the Maryland Insurance Administration and on insurers as both will save money on employee time as electronic notice won't have to be filed by the insurers and reviewed by the Maryland Insurance Administration.

<b>II. Types of Economic Impact.</b>	Revenue (R+/R-)	
	Expenditure (E+/E-)	Magnitude
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A. On issuing agency:	NONE	
(1) Form Review	(E-)	Minimal
B. On other State agencies:	NONE	
C. On local governments:	NONE	

	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:	NONE	
(1) Insurers	(+)	Unknown
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

**III. Assumptions.** (Identified by Impact Letter and Number from Section II.)

A(1). Staff from the Maryland Insurance Administration will no longer have to review the notice filings, which will save employees' time. There are only a few events a year that trigger a temporary moratorium, therefore, the decrease in expenditures is minimal.

D(1). Insurers will no longer be required to submit an electronic notice when activating a temporary moratorium hence saving employees' time. It is unknown how many employees are involved with the electronic filings.

**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 October 3, 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 additional funds are needed to implement the proposed amendment to this regulation.

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

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 regulations do not apply to small business.

G. Small Business Worksheet:

Attached Document:

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## **Title 31 MARYLAND INSURANCE ADMINISTRATION**

### **Subtitle 08 PROPERTY AND CASUALTY INSURANCE**

#### **Chapter 12 Temporary Moratoriums and Weather Events**

Authority: Insurance Article, §§2-108, 2-109, 19-107, and 27-501, Annotated Code of Maryland

##### **[.06 Notice to the Commissioner.**

A. Except as otherwise provided in §B of this Regulation, an insurer shall notify the Commissioner of its activation of a temporary moratorium protocol filed pursuant to Regulation .02 of this by filing a notice through the System for Electronic Rate and Form Filing (SERFF), indicating the filing type as “activate moratorium.”

B. An insurer may provide the notice of activation of a temporary moratorium required by §A of this Regulation by a means other than SERFF only if the insurer obtains written permission to provide the notice by a means other than SERFF from the Commissioner before activating the temporary moratorium.

C. The notice required by §A of this regulation shall be provided when a temporary moratorium has been activated.

D. The notice required by §A of this regulation shall:

- (1) Be supplied in SERFF in a format designated by the Commissioner;
- (2) Provide the name of each insurer;
- (3) Provide the National Association of Insurance Commissioners (NAIC) number of each insurer;
- (4) Specify the time when the temporary moratorium shall be activated;
- (5) Specify the lines of insurance business to which the temporary moratorium shall apply;
- (6) Specify the parts of the State to which the temporary moratorium shall apply; and
- (7) Provide the SERFF tracking numbers assigned, where applicable, and the page numbers containing the

temporary moratorium protocol when the temporary moratorium protocol was filed as required by Regulation .02 of this chapter.]