

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulation
Maryland Insurance Administration
(DLS Control No. 16-192)**

Overview and Legal and Fiscal Impact

The regulation makes a technical change and corrects a cross-reference in Regulation .04 under COMAR 31.09.07, which governs charitable gift annuities.

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:

Life Insurance and Annuities: Charitable Gift Annuities: COMAR 31.09.07.04

Legal Analysis

Summary of Regulation

COMAR 31.09.07 establishes requirements that an educational or religious organization, hospital, or community foundation must meet in order to make agreements for annuity payments with donors. The chapter, which implements § 16-114 of the Insurance Article, specifies filing requirements for the special permits an entity must obtain from the Maryland Insurance Commissioner to make agreements with donors, and the asset, reserve, investment, and disclosure requirements the entities must meet. The regulation amends Regulation .04, governing investment requirements, to (1) delete a reference to investing segregated reserve assets in the same manner and subject to the same standards as are applicable “to endowment funds” since, according to the Maryland Insurance Administration, endowment funds do not relate to segregated reserves in this context and (2) correct the cross-reference to the section of the Estates and Trusts Article that establishes the standards applicable to the investment of the segregated reserve assets.

Legal Issues

The regulation presents no legal issues of concern.

Statutory Authority and Legislative Intent

The administration cites §§ 2-109 and 16-114 of the Insurance Article as statutory authority for the regulation. More specifically, §§ 2-109(a)(1) and 16-114 provide authority for the regulation. Section 2-109(a)(1) establishes the general authority of the Commissioner to adopt regulations to carry out the Insurance Article. Section 16-114 governs charitable gift annuities and establishes the circumstances under which an educational or religious organization, hospital, or community foundation may make agreements for annuity payments with donors. 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.

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 as the changes are generally technical in nature.

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.

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