

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Maryland Insurance Administration
(DLS Control No. 16-198)**

Overview and Legal and Fiscal Impact

The regulations add insurers that offer disability insurance to existing regulations on filing civil actions for failure to act in good faith.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

Maryland Insurance Administration:

Property and Casualty Insurance: Liability of Insurer – Failure to Act in Good Faith:
COMAR 31.08.11.01, .02, .04, .05, and .07

Legal Analysis

Summary of Regulations

The regulations add insurers that offer disability insurance to existing administrative regulations on filing and processing of complaints for failure to act in good faith. These insurers were added to the statutes governing first-party good faith actions by Chapter 729 of 2016 (House Bill 990).

The regulations also update addresses and make technical corrections to existing good-faith provisions.

Legal Issues

The regulations present no legal issues of concern.

Statutory Authority and Legislative Intent

The Maryland Insurance Administration cites §§ 2-109(a)(1) and 27-1001 of the Insurance Article (regulatory authority and actions for first-party claims, respectively) and § 3-1701 of the Courts Article (liability of insurer for first-party claims) as statutory authority for the regulations.

This authority is correct and complete. The regulations comply 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 regulations, among other technical changes, implement Chapter 729 of 2016 (House Bill 990), which expands the applicability of existing “good faith” insurance requirements to individual disability insurance policies. The administration advises that the regulations have 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 regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs as any such impact has already been accounted for in the fiscal and policy note for House Bill 990.

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