

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 442

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “authorizing” in line 3 down through “reports;” in line 4 and substitute “requiring the Insurance Commissioner to send certain information to insurers at a certain time; requiring insurers to file renewal applications and continuation fees on or before a certain date; requiring the Commissioner to issue a certain order under certain circumstances”; and in line 23, after “2-110” insert “, 4-112(b).”.

AMENDMENT NO. 2

On page 3, strike in their entirety lines 5 and 6.

On page 5, strike in their entirety lines 14 through 16, inclusive.

AMENDMENT NO. 3

On page 3, in line 34, after “(A)” insert “(1)”; and on page 4, after line 3, insert:

“(2) AT LEAST 3 MONTHS BEFORE A CERTIFICATE OF AUTHORITY EXPIRES, THE COMMISSIONER SHALL SEND TO EACH INSURER HOLDING A CERTIFICATE OF AUTHORITY UNDER THIS ARTICLE AN APPLICATION TO RENEW THE CERTIFICATE OF AUTHORITY.”

On page 4, in line 4, after “(B)”, insert “(1)”; in the same line, strike “UNTIL THE INSURER HAS FILED” and substitute “AN INSURER SHALL MAIL”; in line 5, strike the comma and substitute “ON OR BEFORE JUNE 1.”; in line 6, strike “RENEW ITS CERTIFICATE OF AUTHORITY ON OR BEFORE JUNE 30” and substitute “DO SO”; in lines 8 and 9, strike “(1)” and “(2)”, respectively, and substitute “(I)” and “(II)”, respectively; in line 8, strike “JULY 1 THROUGH JULY 10” and substitute “JUNE 2 THROUGH JUNE 10”; in the same line after the semicolon, insert “AND”; and in line 9, strike “JULY 11 THROUGH JULY 31; AND” and

(Over)

substitute “JUNE 11 THROUGH JUNE 30.”.

Strike line 10 in its entirety, and substitute:

“(2) AN INSURER THAT FAILS TO RENEW ITS CERTIFICATE OF AUTHORITY ON OR BEFORE JUNE 30 SHALL FORFEIT:

(I) \$1,000 FOR EACH DAY FROM JULY 1 THROUGH JULY 5; AND

(II) \$5,000 FOR EACH DAY AFTER JULY 5.

(3) IN ADDITION TO THE MONETARY PENALTIES IMPOSED UNDER THIS SUBSECTION, ON JULY 1 OF EACH YEAR, FOR EACH INSURER THAT FAILS TO FILE ITS RENEWAL APPLICATION AND CONTINUATION FEE ON OR BEFORE JUNE 30, THE COMMISSIONER SHALL:

(I) ORDER THAT THE INSURER CEASE AND DESIST FROM ENGAGING FURTHER FROM THE WRITING OF INSURANCE IN THIS STATE IN ACCORDANCE WITH § 55 OF THIS ARTICLE; OR

(II) ISSUE AN ORDER TO REQUIRE THE INSURER TO SHOW CAUSE WHY IT SHOULD BE ALLOWED TO CONTINUE TO ENGAGE IN THE INSURANCE BUSINESS IN THE STATE.”.

AMENDMENT NO. 4

On page 5, after line 17, insert:

“(b) At least [1 month] 3 MONTHS before a certificate of authority expires, the Commissioner shall mail to the holder of the certificate of authority, at the last known address of the holder:

(1) a renewal application form; and

(2) a notice that states:

(i) the date on which the current certificate of authority expires;

(ii) the date by which the Commissioner must receive the renewal application for the renewal to be issued and mailed before the certificate of authority expires; and

(iii) the amount of the renewal fee.”.

On page 5, in line 18, after “(E)” insert “(1)”; in the same line strike “UNTIL THE INSURER HAS FILED” and substitute “AN INSURER SHALL MAIL”; in line 19, strike the comma and substitute “ON OR BEFORE JUNE 1.”; in lines 19 and 20, strike “RENEW ITS CERTIFICATE OF AUTHORITY ON OR BEFORE JUNE 30” and substitute “DO SO”; in lines 21 and 22, strike “(1)” and “(2)”, respectively, and substitute “(I)” and “(II)”, respectively; in line 21, strike “JULY 1 THROUGH JULY 10” and substitute “JUNE 2 THROUGH JUNE 10” and after the semicolon, insert “AND”; in lines 22 and 23, strike “JULY 11 THROUGH JULY 31, BOTH INCLUSIVE; AND” and substitute “JUNE 11 THROUGH JUNE 30.”.

Strike line 24 in its entirety, and substitute:

“(2) AN INSURER THAT FAILS TO RENEW ITS CERTIFICATE OF AUTHORITY ON OR BEFORE JUNE 30 SHALL FORFEIT:

(I) \$1,000 FOR EACH DAY FROM JULY 1 THROUGH JULY 5; AND

(II) \$5,000 FOR EACH DAY AFTER JULY 5.

(3) IN ADDITION TO THE MONETARY PENALTIES IMPOSED UNDER THIS SUBSECTION, ON JULY 1 OF EACH YEAR, FOR EACH INSURER THAT FAILS TO FILE ITS RENEWAL APPLICATION AND CONTINUATION FEE ON OR BEFORE JUNE 30, THE COMMISSIONER SHALL:

(I) ORDER THAT THE INSURER CEASE AND DESIST FROM ENGAGING FURTHER FROM THE WRITING OF INSURANCE IN THIS STATE IN ACCORDANCE WITH § 55 OF THIS ARTICLE; OR

(II) ISSUE AN ORDER TO REQUIRE THE INSURER TO SHOW CAUSE WHY IT SHOULD BE ALLOWED TO CONTINUE TO ENGAGE IN THE INSURANCE

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BUSINESS IN THE STATE.”.