
By: Delegates Taylor, Busch, Dewberry, Hurson, Arnick, Curran, Harrison, Hixson, Kopp, Menes, Owings, Rawlings, and Vallario

Requested: July 10, 1996

Introduced and read first time: January 8, 1997

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance Commissioner - Term of Office - Reasons for Removal**

3 FOR the purpose of establishing a term of office for the Insurance Commissioner;
4 delineating the reasons for removal of the Insurance Commissioner by the
5 Governor; providing for the effective date and the applicability of this Act; and
6 providing for future codification of certain provisions of this Act.

7 BY repealing and reenacting, with amendments,
8 Article 48A - Insurance Code
9 Section 15
10 Annotated Code of Maryland
11 (1994 Replacement Volume and 1996 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article - Insurance
14 Section 2-103
15 Annotated Code of Maryland
16 (1995 Volume and 1996 Supplement)
17 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article 48A - Insurance Code**

21 15.

22 (a) The Commissioner shall:

23 (1) Be appointed by the Governor with the advice and consent of the
24 Senate;

25 (2) Serve [at the pleasure of the Governor] FOR A TERM OF 4 YEARS;

26 (3) Be directly responsible to the Governor; and

2

1 (4) Counsel and advise the Governor on all matters assigned to the
2 Maryland Insurance Administration.

3 (B) THE COMMISSIONER MAY BE REMOVED BY THE GOVERNOR FOR:

4 (1) MALFEASANCE;

5 (2) INCOMPETENCE; OR

6 (3) FAILURE TO CARRY OUT THE DUTIES OF OFFICE IN A MANNER
7 CONSISTENT WITH THE REGULATORY PURPOSE AND REQUIREMENTS OF THIS
8 ARTICLE.

9 [(b)] (C) The Commissioner shall devote full time to the duties of office.

10 [(c)] (D) The Commissioner shall be unclassified and entitled to compensation
11 under the executive compensation plan in accordance with the State budget.

12 [(d)] (E) The Commissioner shall be covered by a surety bond in the form and
13 amount required by law.

14 SECTION 2. AND BE IT FURTHER ENACTED THAT, The Laws of Maryland
15 read as follows:

16 **Article - Insurance**

17 2-103.

18 (a) (1) The Governor shall appoint the Commissioner with the advice and
19 consent of the Senate.

20 (2) The Commissioner [serves at the pleasure of the Governor] SHALL
21 SERVE FOR A TERM OF 4 YEARS.

22 (3) The Commissioner is directly responsible to the Governor.

23 (4) The Commissioner shall counsel and advise the Governor on all matters
24 assigned to the Administration.

25 (5) THE COMMISSIONER MAY BE REMOVED BY THE GOVERNOR FOR:

26 (I) MALFEASANCE;

27 (II) INCOMPETENCE; OR

28 (III) FAILURE TO CARRY OUT THE DUTIES OF OFFICE IN A MANNER
29 CONSISTENT WITH THE REGULATORY PURPOSE AND REQUIREMENTS OF THIS
30 ARTICLE.

31 (b) (1) The Commissioner is responsible for the operation of the
32 Administration.

33 (2) The Commissioner shall:

34 (i) exercise the powers and perform the duties of the Administration
35 under this article;

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1 (ii) organize the Administration to function efficiently and to serve the
2 public; and

3 (iii) establish, in the Administration, the units necessary for the
4 exercise of the powers and performance of the duties of the Administration.

5 (c) The Commissioner shall devote full time to the duties of office.

6 (d) The Commissioner is in the unclassified service of the State Personnel
7 Management System and is entitled to compensation under the Executive Pay Plan in
8 accordance with the State budget.

9 (e) The Commissioner shall be covered by a surety bond in the form and amount
10 required by law.

11 (f) (1) The Commissioner shall have a seal of office in the form approved by the
12 Governor.

13 (2) The impression and description of the seal shall be filed with the
14 Secretary of State.

15 SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
16 take effect June 1, 1997 and shall be applicable to any Insurance Commissioner
17 appointed before that date to succeed the first Insurance Commissioner of the Maryland
18 Insurance Administration.

19 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
20 take effect October 1, 1997.