

HOUSE BILL 362

Unofficial Copy  
C4

2001 Regular Session  
(11r0154)

*ENROLLED BILL*  
-- Economic Matters/Finance --

Introduced by **Chairman, Economic Matters Committee (Departmental - Insurance Administration, Maryland)**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Insurance Administration - Adoption of Regulations**

3 FOR the purpose of requiring the Maryland Insurance Commissioner to adopt certain  
4 regulations concerning privacy information and the ability of an individual to  
5 engage in or practice in the business of insurance; *prohibiting certain*  
6 *regulations from taking effect before a certain date*; and generally relating to the  
7 Commissioner's authority to adopt regulations.

8 BY repealing and reenacting, with amendments,  
9 Article - Insurance  
10 Section 2-109  
11 Annotated Code of Maryland  
12 (1997 Volume and 2000 Supplement)

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

1 **Article - Insurance**

2 2-109.

3 (a) The Commissioner may adopt regulations to:

4 (1) carry out this article;

5 (2) establish, maintain, and administer reserves under Title 3, Subtitle  
6 2A of the Courts Article; and7 (3) regulate the solicitation by a domestic stock insurer or other person  
8 of proxies, consents, and authorizations with respect to equity securities of the  
9 domestic stock insurer.

10 (b) (1) The Commissioner shall:

11 (i) compile and keep in the office of the Commissioner a set of  
12 current regulations adopted under this article; and

13 (ii) make a copy of the regulations for anyone who asks for one.

14 (2) The Commissioner may set a fee to cover the cost of making and  
15 mailing a copy of the current regulations.16 (c) (1) By regulation, the Commissioner shall establish or direct the  
17 establishment of a toll-free telephone number to help consumers with and educate  
18 consumers about the purchase of private passenger automobile insurance.

19 (2) The Commissioner:

20 (i) may not recommend specific insurers or agents; but

21 (ii) may provide to callers educational material, including a rate  
22 guide and a list of insurers and agents.23 (D) (1) BY REGULATION, THE COMMISSIONER SHALL ESTABLISH  
24 STANDARDS GOVERNING THE PRIVACY OF CONSUMER FINANCIAL AND HEALTH  
25 INFORMATION PURSUANT TO TITLE V OF THE FEDERAL FINANCIAL SERVICES  
26 MODERNIZATION ACT OF 1999 (PUBLIC LAW 106-102).27 (2) THE REGULATIONS SHALL BE CONSISTENT WITH THE PROVISIONS  
28 OF THE MODEL REGULATION ADOPTED BY THE NATIONAL ASSOCIATION OF  
29 INSURANCE COMMISSIONERS ENTITLED "PRIVACY OF CONSUMER FINANCIAL AND  
30 HEALTH INFORMATION REGULATION".31 (E) BY REGULATION, THE COMMISSIONER SHALL ESTABLISH ~~A MECHANISM~~  
32 CRITERIA AND A PROCESS TO ALLOW AN INDIVIDUAL WHO IS OTHERWISE  
33 PROHIBITED FROM ENGAGING IN OR PARTICIPATING IN THE BUSINESS OF  
34 INSURANCE UNDER THE FEDERAL VIOLENT CRIME CONTROL AND LAW  
35 ENFORCEMENT ACT OF ~~1999~~ 1994 (PUBLIC LAW 103-322) TO OBTAIN WRITTEN

1 CONSENT FROM THE COMMISSIONER TO ENGAGE IN OR PARTICIPATE IN THE  
2 BUSINESS OF INSURANCE UNDER THE FEDERAL ACT.

3 [(d)] (F) In addition to any other penalty provided, a person that willfully  
4 violates a regulation adopted under this article is subject to any applicable penalty  
5 under this article for violation of the provision to which the regulation relates.

6 SECTION 2. AND BE IT FURTHER ENACTED, That the regulations adopted  
7 by the Maryland Insurance Commissioner in accordance with 2-109(d) of the  
8 Insurance Article, as enacted by Section 1 of this Act, may not take effect before  
9 January 1, 2002.

10 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
11 effect July 1, 2001.