

HOUSE BILL 362

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2001 Regular Session
1r0154

By: **Chairman, Economic Matters Committee (Departmental - Insurance Administration, Maryland)**

Introduced and read first time: January 31, 2001

Assigned to: Economic Matters

A BILL ENTITLED

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; and generally relating to the
6 Commissioner's authority to adopt regulations.

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

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

14 **Article - Insurance**

15 2-109.

16 (a) The Commissioner may adopt regulations to:

17 (1) carry out this article;

18 (2) establish, maintain, and administer reserves under Title 3, Subtitle
19 2A of the Courts Article; and

20 (3) regulate the solicitation by a domestic stock insurer or other person
21 of proxies, consents, and authorizations with respect to equity securities of the
22 domestic stock insurer.

23 (b) (1) The Commissioner shall:

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

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

2 (2) The Commissioner may set a fee to cover the cost of making and
3 mailing a copy of the current regulations.

4 (c) (1) By regulation, the Commissioner shall establish or direct the
5 establishment of a toll-free telephone number to help consumers with and educate
6 consumers about the purchase of private passenger automobile insurance.

7 (2) The Commissioner:

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

9 (ii) may provide to callers educational material, including a rate
10 guide and a list of insurers and agents.

11 (D) (1) BY REGULATION, THE COMMISSIONER SHALL ESTABLISH
12 STANDARDS GOVERNING THE PRIVACY OF CONSUMER FINANCIAL AND HEALTH
13 INFORMATION PURSUANT TO TITLE V OF THE FEDERAL FINANCIAL SERVICES
14 MODERNIZATION ACT OF 1999 (PUBLIC LAW 106-102).

15 (2) THE REGULATIONS SHALL BE CONSISTENT WITH THE PROVISIONS
16 OF THE MODEL REGULATION ADOPTED BY THE NATIONAL ASSOCIATION OF
17 INSURANCE COMMISSIONERS ENTITLED "PRIVACY OF CONSUMER FINANCIAL AND
18 HEALTH INFORMATION REGULATION".

19 (E) BY REGULATION, THE COMMISSIONER SHALL ESTABLISH A MECHANISM
20 TO ALLOW AN INDIVIDUAL WHO IS OTHERWISE PROHIBITED FROM ENGAGING IN OR
21 PARTICIPATING IN THE BUSINESS OF INSURANCE UNDER THE FEDERAL VIOLENT
22 CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1999 (PUBLIC LAW 103-322) TO
23 OBTAIN WRITTEN CONSENT FROM THE COMMISSIONER TO ENGAGE IN OR
24 PARTICIPATE IN THE BUSINESS OF INSURANCE UNDER THE FEDERAL ACT.

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

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
29 effect July 1, 2001.