

HOUSE BILL 362

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2001 Regular Session
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By: **Chairman, Economic Matters Committee (Departmental - Insurance
Administration, Maryland)**

Introduced and read first time: January 31, 2001

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 20, 2001

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; 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

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

4 (b) (1) The Commissioner shall:

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

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

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

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

13 (2) The Commissioner:

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

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

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

21 (2) THE REGULATIONS SHALL BE CONSISTENT WITH THE PROVISIONS
22 OF THE MODEL REGULATION ADOPTED BY THE NATIONAL ASSOCIATION OF
23 INSURANCE COMMISSIONERS ENTITLED "PRIVACY OF CONSUMER FINANCIAL AND
24 HEALTH INFORMATION REGULATION".

25 (E) BY REGULATION, THE COMMISSIONER SHALL ESTABLISH ~~A MECHANISM~~
26 CRITERIA AND A PROCESS TO ALLOW AN INDIVIDUAL WHO IS OTHERWISE
27 PROHIBITED FROM ENGAGING IN OR PARTICIPATING IN THE BUSINESS OF
28 INSURANCE UNDER THE FEDERAL VIOLENT CRIME CONTROL AND LAW
29 ENFORCEMENT ACT OF ~~1999~~ 1994 (PUBLIC LAW 103-322) TO OBTAIN WRITTEN
30 CONSENT FROM THE COMMISSIONER TO ENGAGE IN OR PARTICIPATE IN THE
31 BUSINESS OF INSURANCE UNDER THE FEDERAL ACT.

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

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

