

**Department of Legislative Services**  
Maryland General Assembly  
2001 Session

**FISCAL NOTE**

House Bill 152 (Chairman, Economic Matters Committee)  
(Departmental – Insurance Administration, Maryland)  
Economic Matters

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**Insurance - Life Insurers - Records**

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This departmental bill requires the Maryland Insurance Commissioner to adopt regulations establishing the minimum length of time for which and the manner in which a life insurer is required to maintain records of its policies. The bill also applies to group life insurance policies.

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**Fiscal Summary**

**State Effect:** The bill's requirements could be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** The Maryland Insurance Administration (MIA) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs in this assessment.

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**Analysis**

**Current Law:** No provision requires an insurer to maintain records of canceled or expired policies. The Commissioner is required to adopt regulations that establish the minimum length of time for which and the manner in which an independent insurance agent or broker is required to maintain records of insurance transactions.

**Background:** Whenever the Commissioner deems it advisable, MIA may examine the affairs, transactions, accounts, records, and assets of each authorized insurer,

management company of an insurer, subsidiary owned or controlled by an authorized insurer, or rating organization. MIA is required to examine each Maryland insurer at least once every five years.

MIA routinely receives complaints from consumers regarding whether a life insurance policy is in effect. Requiring life insurers to maintain records of policies will assist in determining whether a policy is in effect.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 47 (Chairman, Finance Committee) – Finance.

**Information Source(s):** Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader – January 18, 2001  
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