

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

Senate Bill 47 (Chairman, Finance Committee)
(Departmental – Insurance Administration, Maryland)

Finance

Insurance - Life Insurers - Records

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.

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.

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.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader – January 18, 2001
ncs/jr

Analysis by: Ryan Wilson

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510