
By: **Delegates Taylor, Franchot, Barkley, Benson, Burns, Cane, Conroy,
Dumais, Gaines, Goldwater, Heller, Hixson, Holmes, Hurson, King, Lee,
Madaleno, Montgomery, Murray, Paige, Parker, Patterson, Quinter,
F. Turner, and Vaughn**

Introduced and read first time: February 8, 2005

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Insurance Commissioner - Elected Position**

3 FOR the purpose of repealing the authority of the Governor to appoint the Maryland
4 Insurance Commissioner after a certain date; requiring the Commissioner to be
5 elected at a general election every 4 years beginning with a certain election;
6 setting a term of 4 years for the elected Commissioner beginning on a certain
7 date; providing that the term of the appointed Commissioner expires on a
8 certain date; repealing a certain provision relating to the responsibility of the
9 Commissioner to the Governor; repealing the duty of the Commissioner to
10 counsel the Governor on certain matters; repealing the authority of the
11 Governor to remove the Commissioner under certain circumstances; authorizing
12 the Board of Public Works to remove the Commissioner under certain
13 circumstances; altering certain compensation provisions relating to the
14 Commissioner; repealing certain authority of the Governor to approve certain
15 appointments of the Commissioner; providing for the applicability of certain
16 provisions of this Act; providing for a delayed effective date of certain provisions
17 of this Act; and generally relating to the election of the Insurance Commissioner.

18 BY repealing and reenacting, with amendments,
19 Article - Insurance
20 Section 2-103, 2-104(a)(1), and 2-403(b)(1)
21 Annotated Code of Maryland
22 (2003 Replacement Volume and 2004 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article - Insurance
25 Section 2-103
26 Annotated Code of Maryland
27 (2003 Replacement Volume and 2004 Supplement)
28 (As enacted by Section 1 of this Act)

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

3 **Article - Insurance**

4 2-103.

5 (a) (1) (I) [The] ON OR BEFORE JANUARY 9, 2007, THE Governor shall
6 appoint the Commissioner with the advice and consent of the Senate.

7 (II) EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH, THE
8 COMMISSIONER SHALL BE ELECTED AT A GENERAL ELECTION EVERY 4 YEARS
9 BEGINNING WITH THE NOVEMBER GENERAL ELECTION IN 2006.

10 (III) SUBPARAGRAPH (II) OF THIS PARAGRAPH DOES NOT APPLY TO:

11 1. THE INCUMBENT APPOINTED COMMISSIONER WHO
12 HOLDS OFFICE ON JUNE 1, 2005; OR

13 2. ANY OTHER APPOINTED COMMISSIONER WHO HOLDS
14 OFFICE BETWEEN JUNE 1, 2005 AND JANUARY 9, 2007.

15 (2) (I) [The] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
16 PARAGRAPH, THE Commissioner shall serve for a term of 4 years BEGINNING THE
17 SECOND WEDNESDAY OF JANUARY AFTER THE COMMISSIONER'S ELECTION AND
18 UNTIL A SUCCESSOR IS ELECTED AND QUALIFIES.

19 (II) THE TERM OF THE INCUMBENT APPOINTED COMMISSIONER
20 SHALL EXPIRE ON JANUARY 9, 2007.

21 (3) The Commissioner is directly responsible to the Governor.

22 (4) The Commissioner shall counsel and advise the Governor on all
23 matters assigned to the Administration.

24 (5) The Commissioner may be removed by the Governor for:

25 (i) malfeasance;

26 (ii) incompetence; or

27 (iii) failure to carry out the duties of office in a manner consistent
28 with the regulatory purpose and requirements of this article.

29 (b) (1) The Commissioner is responsible for the operation of the
30 Administration.

31 (2) The Commissioner shall:

32 (i) exercise the powers and perform the duties of the
33 Administration under this article;

1 (ii) organize the Administration to function efficiently and to serve
2 the public; and

3 (iii) establish, in the Administration, the units necessary for the
4 exercise of the powers and performance of the duties of the Administration.

5 (c) The Commissioner shall devote full time to the duties of office.

6 (d) The Commissioner is in the executive service of the State Personnel
7 Management System and is entitled to compensation under the Executive Pay Plan in
8 accordance with the State budget.

9 (e) The Commissioner shall be covered by a surety bond in the form and
10 amount required by law.

11 (f) (1) The Commissioner shall have a seal of office in the form approved by
12 the Governor.

13 (2) The impression and description of the seal shall be filed with the
14 Secretary of State.

15 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
16 read as follows:

17 **Article - Insurance**

18 2-103.

19 (a) (1) (i) On or before January 9, 2007, the Governor shall appoint the
20 Commissioner with the advice and consent of the Senate.

21 (ii) Except as otherwise provided in this paragraph, the
22 Commissioner shall be elected at a general election every 4 years beginning with the
23 November general election in 2006.

24 (iii) Subparagraph (ii) of this paragraph does not apply to:

25 1. the incumbent appointed Commissioner who holds office
26 on June 1, 2005; or

27 2. any other appointed Commissioner who holds office
28 between June 1, 2005 and January 9, 2007.

29 (2) (i) Except as provided in subparagraph (ii) of this paragraph, the
30 Commissioner shall serve for a term of 4 years beginning the second Wednesday of
31 January after the Commissioner's election and until a successor is elected and
32 qualifies.

33 (ii) The term of the incumbent appointed Commissioner shall
34 expire on January 9, 2007.

1 (3) [The Commissioner is directly responsible to the Governor.

2 (4) The Commissioner shall counsel and advise the Governor on all
3 matters assigned to the Administration.

4 (5)] The Commissioner may be removed by the [Governor] BOARD OF
5 PUBLIC WORKS for:

6 (i) malfeasance;

7 (ii) incompetence; or

8 (iii) failure to carry out the duties of office in a manner consistent
9 with the regulatory purpose and requirements of this article.

10 (b) (1) The Commissioner is responsible for the operation of the
11 Administration.

12 (2) The Commissioner shall:

13 (i) exercise the powers and perform the duties of the
14 Administration under this article;

15 (ii) organize the Administration to function efficiently and to serve
16 the public; and

17 (iii) establish, in the Administration, the units necessary for the
18 exercise of the powers and performance of the duties of the Administration.

19 (c) The Commissioner shall devote full time to the duties of office.

20 (d) The Commissioner [is in the executive service of the State Personnel
21 Management System and is entitled to compensation under the Executive Pay Plan in
22 accordance with the State budget] IS ENTITLED TO RECEIVE \$133,538 ANNUALLY AS
23 COMPENSATION.

24 (e) The Commissioner shall be covered by a surety bond in the form and
25 amount required by law.

26 (f) (1) The Commissioner shall have a seal of office [in the form approved
27 by the Governor].

28 (2) The impression and description of the seal shall be filed with the
29 Secretary of State.

30 2-104.

31 (a) (1) [Subject to the approval of the Governor, the] THE Commissioner
32 shall appoint a Deputy Commissioner.

1 2-403.

2 (b) (1) The Associate Commissioner of the Fraud Division shall be appointed
3 by the Commissioner [with the approval of the Governor].

4 SECTION 3. AND BE IT FURTHER ENACTED, That the provisions of Section
5 1 of this Act relating to the powers, duties, responsibilities, and compensation of the
6 Commissioner are intended to apply to the incumbent appointed Commissioner who
7 holds office on June 1, 2005 and any other Commissioner who holds office between
8 June 1, 2005 and January 9, 2007.

9 SECTION 4. AND BE IT FURTHER ENACTED, That the provisions of Section
10 2 of this Act relating to the powers, duties, responsibilities, and compensation of the
11 Commissioner are not intended to apply to the incumbent appointed Commissioner
12 who holds office on June 1, 2005 or any other incumbent Insurance Commissioner
13 who holds office between June 1, 2005 and January 9, 2007. The provisions of Section
14 2 of this Act relating to the powers, duties, responsibilities, and compensation of the
15 Commissioner are intended to apply to the elected Commissioner.

16 SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
17 take effect July 1, 2006.

18 SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the provision
19 of Section 5 of this Act, this Act shall take effect June 1, 2005.