

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**

House Bill 165 (Chairman, Economic Matters Committee)  
(By Request – Departmental – Maryland, Insurance Administration)

Economic Matters

Finance

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**Insurance - Examination Reports**

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This departmental bill requires the Maryland Insurance Commissioner to provide a copy of an adopted examination report to the person examined. The bill requires the person examined to present the report to its board of directors at the next regularly scheduled board meeting. The bill also changes references to “filing” a report with the Commissioner to “adopting” a report by the Commissioner.

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**Fiscal Summary**

**State Effect:** The bill’s requirements could be handled with the existing budgeted resources of the Maryland Insurance Administration (MIA).

**Local Effect:** None.

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

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**Analysis**

**Current Law:** At least 30 days before filing a proposed examination report, the Commissioner must provide a copy to the person examined. If the person requests a hearing within the 30-day period, the Commissioner must grant the request and may not file the proposed report until after the hearing and any modifications to the report. Final examination reports are public documents and may be disclosed to the public.

**Background:** MIA advises that the requirement to present the examination report to an entity's board of directors is intended to ensure that a board is aware of the examination's findings in a timely manner. MIA further advises that the change in terminology from "filing" a report to "adopting" a report tracks models adopted by the National Association of Insurance Commissioners.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - January 26, 2006  
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