

HB0252/343024/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 252  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 9, after “information;” insert “authorizing and requiring the Maryland Insurance Commissioner to take certain actions with respect to certain information;”.

AMENDMENT NO. 2

On page 4, strike beginning with “OBTAINED” in line 3 down through “CONDUCTED” in line 4 and substitute “REPORTED OR PROVIDED TO THE COMMISSIONER”; and strike in their entirety lines 24 through 30, inclusive, and substitute:

**“(5) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, FOR PURPOSES OF THE INFORMATION REPORTED AND PROVIDED TO THE COMMISSIONER UNDER § 7-603(I) OF THIS TITLE, THE COMMISSIONER SHALL MAINTAIN THE CONFIDENTIALITY OF THE GROUP CAPITAL CALCULATION AND GROUP CAPITAL RATIO PRODUCED WITHIN THE CALCULATION AND ANY GROUP CAPITAL INFORMATION RECEIVED FROM AN INSURANCE HOLDING COMPANY SUPERVISED BY THE FEDERAL RESERVE BOARD OR ANY U.S. GROUP-WIDE SUPERVISOR.**

**“(6) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, FOR PURPOSES OF THE INFORMATION REPORTED AND PROVIDED TO THE COMMISSIONER UNDER § 7-603(J) OF THIS TITLE, THE COMMISSIONER SHALL MAINTAIN THE CONFIDENTIALITY OF THE LIQUIDITY STRESS TEST RESULTS AND SUPPORTING DISCLOSURES AND ANY LIQUIDITY STRESS TEST**

INFORMATION RECEIVED FROM AN INSURANCE HOLDING COMPANY SUPERVISED BY THE FEDERAL RESERVE BOARD AND NON-U.S. GROUP-WIDE SUPERVISORS.

(7) IN ORDER TO ASSIST IN THE PERFORMANCE OF THE COMMISSIONER'S DUTIES, THE COMMISSIONER:

(I) EXCEPT AS PROVIDED IN ITEM (II) OF THIS PARAGRAPH, MAY SHARE DOCUMENTS, MATERIALS, OR OTHER INFORMATION, INCLUDING CONFIDENTIAL AND PRIVILEGED INFORMATION, THAT MAY INCLUDE PROPRIETARY AND TRADE SECRET DOCUMENTS AND MATERIALS WITH OTHER STATE, FEDERAL, AND INTERNATIONAL REGULATORY AGENCIES, THE NAIC, ANY THIRD-PARTY CONSULTANTS DESIGNATED BY THE COMMISSIONER, AND STATE, FEDERAL, AND INTERNATIONAL LAW ENFORCEMENT AUTHORITIES, INCLUDING MEMBERS OF ANY SUPERVISORY COLLEGE DESCRIBED IN § 2-209.1 OF THIS ARTICLE, IF THE RECIPIENT:

1. AGREES IN WRITING TO MAINTAIN THE CONFIDENTIALITY AND PRIVILEGED STATUS OF THE DOCUMENT, MATERIAL, OR OTHER INFORMATION; AND

2. HAS VERIFIED IN WRITING THE LEGAL AUTHORITY TO MAINTAIN CONFIDENTIALITY;

(II) MAY SHARE ONLY CONFIDENTIAL AND PRIVILEGED DOCUMENTS, MATERIAL, OR INFORMATION REPORTED UNDER § 7-603(H) OF THIS TITLE WITH THE COMMISSIONERS OF STATES HAVING STATUTES OR REGULATIONS SUBSTANTIALLY SIMILAR TO THIS SECTION AND WHO HAVE AGREED IN WRITING NOT TO DISCLOSE THE INFORMATION;

(III) 1. MAY RECEIVE DOCUMENTS, MATERIALS, OR INFORMATION, INCLUDING OTHERWISE CONFIDENTIAL AND PRIVILEGED DOCUMENTS, MATERIALS, AND INFORMATION, THAT MAY INCLUDE PROPRIETARY AND TRADE SECRET INFORMATION FROM THE NAIC AND ITS AFFILIATES AND SUBSIDIARIES AND FROM REGULATORY AND LAW ENFORCEMENT OFFICIALS OF OTHER FOREIGN OR DOMESTIC JURISDICTIONS; AND

2. SHALL MAINTAIN AS CONFIDENTIAL AND PRIVILEGED ANY DOCUMENT, MATERIAL, OR INFORMATION RECEIVED WITH NOTICE OR THE UNDERSTANDING THAT IT IS CONFIDENTIAL OR PRIVILEGED UNDER THE LAWS OF THE JURISDICTION THAT IS THE SOURCE OF THE DOCUMENT, MATERIAL, OR INFORMATION; AND

(IV) SHALL ENTER INTO WRITTEN AGREEMENTS WITH THE NAIC AND ANY THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER GOVERNING THE SHARING AND USE OF INFORMATION PROVIDED IN ACCORDANCE WITH THIS TITLE AND CONSISTENT WITH THIS SECTION.

(8) AN AGREEMENT ENTERED INTO UNDER PARAGRAPH (7)(IV) OF THIS SUBSECTION SHALL:

(I) SPECIFY PROCEDURES AND PROTOCOLS REGARDING CONFIDENTIALITY AND SECURITY OF INFORMATION SHARED WITH THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER UNDER THIS TITLE, INCLUDING PROCEDURES AND PROTOCOLS FOR THE SHARING OF THE INFORMATION BY THE NAIC WITH OTHER STATE, FEDERAL, OR INTERNATIONAL REGULATORS;

(Over)

(II) PROVIDE THAT THE RECIPIENT AGREES IN WRITING TO MAINTAIN THE CONFIDENTIALITY AND PRIVILEGED STATUS OF THE DOCUMENTS, MATERIALS, AND OTHER INFORMATION AND HAS VERIFIED IN WRITING THE LEGAL AUTHORITY TO MAINTAIN THE CONFIDENTIALITY;

(III) SPECIFY THAT OWNERSHIP OF INFORMATION SHARED WITH THE NAIC OR A THIRD-PARTY CONSULTANT UNDER THIS TITLE REMAINS WITH THE COMMISSIONER AND THE USE OF THE INFORMATION IS SUBJECT TO THE DIRECTION OF THE COMMISSIONER;

(IV) EXCLUDING DOCUMENTS, MATERIAL, OR INFORMATION REPORTED UNDER § 7-603(J) OF THIS TITLE, PROHIBIT THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER FROM STORING THE INFORMATION SHARED UNDER THIS TITLE IN A PERMANENT DATABASE AFTER THE UNDERLYING ANALYSIS IS COMPLETED;

(V) REQUIRE PROMPT NOTICE TO BE GIVEN TO AN INSURER WHOSE CONFIDENTIAL INFORMATION IN THE POSSESSION OF THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER IS SUBJECT TO A REQUEST OR SUBPOENA TO THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER FOR DISCLOSURE OR PRODUCTION;

(VI) REQUIRE THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER TO CONSENT TO INTERVENTION BY AN INSURER IN ANY JUDICIAL OR ADMINISTRATIVE ACTION IN WHICH THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER MAY BE REQUIRED TO DISCLOSE CONFIDENTIAL INFORMATION ABOUT THE INSURER

SHARED BY THE NAIC OR A THIRD-PARTY CONSULTANT DESIGNATED BY THE COMMISSIONER; AND

(VII) FOR DOCUMENTS, MATERIAL, OR INFORMATION REPORTED UNDER § 7-603(J) OF THIS TITLE, PROVIDE FOR THE NOTIFICATION OF THE IDENTITY OF THE CONSULTANT TO THE APPLICABLE INSURERS, IN THE CASE OF AN AGREEMENT INVOLVING A THIRD-PARTY CONSULTANT.

(9) (I) THE SHARING OF INFORMATION BY THE COMMISSIONER UNDER THIS TITLE MAY NOT CONSTITUTE A DELEGATION OF REGULATORY AUTHORITY OR RULEMAKING.

(II) THE COMMISSIONER IS SOLELY RESPONSIBLE FOR THE ADMINISTRATION, EXECUTION, AND ENFORCEMENT OF THIS TITLE.

(10) A WAIVER OF ANY APPLICABLE PRIVILEGE OR CLAIM OF CONFIDENTIALITY IN THE DOCUMENTS, MATERIALS, OR INFORMATION MAY NOT OCCUR AS A RESULT OF DISCLOSURE TO THE COMMISSIONER OR AS A RESULT OF SHARING AS AUTHORIZED IN THIS SECTION.

(11) THE GROUP CAPITAL CALCULATION AND RESULTING GROUP CAPITAL RATIO REQUIRED UNDER § 7-603(I) OF THIS TITLE AND THE LIQUIDITY STRESS TEST ALONG WITH ITS RESULTS AND SUPPORTING DISCLOSURES REQUIRED UNDER § 7-603(J) OF THIS TITLE ARE REGULATORY TOOLS FOR ASSESSING GROUP RISKS AND CAPITAL ADEQUACY AND GROUP LIQUIDITY RISKS, RESPECTIVELY, AND ARE NOT INTENDED AS A MEANS TO RANK INSURERS OR INSURANCE HOLDING COMPANY SYSTEMS GENERALLY.

(Over)

(12) DISCLOSURE OF GROUP CAPITAL CALCULATION, GROUP CAPITAL RATIO, LIQUIDITY STRESS TEST RESULTS, OR SUPPORTING DISCLOSURES BY ANY INSURER, BROKER, OR OTHER PERSON ENGAGED IN ANY MANNER OF THE INSURANCE BUSINESS IS SUBJECT TO THE FOLLOWING:

(I) EXCEPT AS PROVIDED IN ITEM (II) OF THIS PARAGRAPH OR AS OTHERWISE REQUIRED BY THIS TITLE, THE DIRECT OR INDIRECT DISCLOSURE, IN ANY WRITTEN, ELECTRONIC, OR OTHER MANNER AS AN ADVERTISEMENT, AN ANNOUNCEMENT OR A STATEMENT CONTAINING A REPRESENTATION, OR A STATEMENT WITH REGARD TO THE GROUP CAPITAL CALCULATION, GROUP CAPITAL RATIO, THE LIQUIDITY STRESS TEST RESULTS, OR SUPPORTING DISCLOSURES FOR THE LIQUIDITY STRESS TEST OF ANY INSURER OR ANY INSURER GROUP, OR OF ANY COMPONENT DERIVED IN THE CALCULATION BY ANY INSURER, BROKER, OR OTHER PERSON ENGAGED IN ANY MANNER IN THE INSURANCE BUSINESS WOULD BE MISLEADING AND IS THEREFORE PROHIBITED; AND

(II) THE INSURER MAY PUBLISH ANNOUNCEMENTS IN A WRITTEN PUBLICATION IF:

1. ANY MATERIALLY FALSE STATEMENT WITH RESPECT TO THE GROUP CAPITAL CALCULATION, RESULTING GROUP CAPITAL RATIO, AN INAPPROPRIATE COMPARISON OF ANY AMOUNT TO AN INSURER'S OR INSURANCE GROUP'S GROUP CAPITAL CALCULATION OR RESULTING GROUP CAPITAL RATIO, LIQUIDITY STRESS TEST RESULT, SUPPORTING DISCLOSURES FOR THE LIQUIDITY STRESS TEST, OR AN INAPPROPRIATE COMPARISON OF ANY AMOUNT TO AN INSURER'S OR INSURANCE GROUP'S LIQUIDITY STRESS TEST RESULT OR SUPPORTING DISCLOSURES IS PUBLISHED IN ANY WRITTEN PUBLICATION AND THE INSURER IS ABLE TO DEMONSTRATE TO THE

**COMMISSIONER WITH SUBSTANTIAL PROOF THE FALSITY OF THE STATEMENT OR  
THE INAPPROPRIATENESS OF THE COMPARISON; AND**

**2. THE SOLE PURPOSE OF THE ANNOUNCEMENTS IS  
TO REBUT THE MATERIALLY FALSE STATEMENT OR INAPPROPRIATE  
COMPARISON.”.**

On page 8, strike beginning with “IS” in line 6 down through “COMMISSIONER” in line 11 and substitute “**, UNLESS THE FEDERAL RESERVE BOARD CANNOT SHARE THE CALCULATION WITH THE LEAD STATE COMMISSIONER AFTER THE LEAD STATE COMMISSIONER MAKES A REQUEST UNDER THE TERMS OF INFORMATION SHARING AGREEMENTS IN EFFECT AT THE TIME THE REQUEST IS MADE**”; in lines 13 and 25, in each instance, strike “FOREIGN” and substitute “**NON-U.S.**”; in line 30, strike “(2)” and substitute “**(2)(III), (IV), AND (V)**”; and in line 32, strike “FOREIGN-BASED” and substitute “**NON-U.S.-BASED**”.