

SENATE BILL 139

C4, J5

(PRE-FILED)

6lr0041
CF HB 277

By: **Chair, Finance Committee (By Request – Departmental – Maryland Insurance Administration)**

Requested: September 25, 2025

Introduced and read first time: January 14, 2026

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: February 7, 2026

CHAPTER _____

1 AN ACT concerning

2 **Insurance – Third Party Administrators – Enforcement**

3 FOR the purpose of altering the grounds on which the Maryland Insurance Commissioner
4 may deny an applicant for registration as or refuse to renew, suspend, or revoke the
5 registration of a third party administrator; altering the violations for which the
6 Commissioner may impose civil penalties against a third party administrator; and
7 generally relating to third party administrators.

8 BY repealing and reenacting, with amendments,
9 Article – Insurance
10 Section 8–309(a) and 8–320(c)
11 Annotated Code of Maryland
12 (2017 Replacement Volume and 2025 Supplement)

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

15 **Article – Insurance**

16 8–309.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) Subject to the hearing provisions of Title 2 of this article, the Commissioner
2 may deny a registration to an applicant or refuse to renew, suspend, or revoke the
3 registration of a registrant if the applicant or registrant:

4 (1) makes a material misstatement in an application for registration;

5 (2) fraudulently or deceptively obtains or attempts to obtain a registration
6 for the applicant or registrant or for another;

7 (3) has been convicted of a felony or of a misdemeanor involving moral
8 turpitude;

9 (4) in connection with the administration of a plan or with activities on
10 behalf of a life insurer, commits fraud or engages in illegal or dishonest activities; [or]

11 (5) [violates any provision of this subtitle or a regulation adopted under it]
12 **HAS VIOLATED THIS ARTICLE OR ANOTHER LAW OF THE STATE THAT RELATES TO**
13 **INSURANCE; OR**

14 **(6) KNOWINGLY FAILS TO COMPLY WITH A REGULATION ADOPTED BY**
15 **OR AN ORDER OF THE COMMISSIONER.**

16 8–320.

17 (c) (1) In addition to any other enforcement action taken by the Commissioner
18 under this section, the Commissioner may impose a civil penalty of not more than \$10,000
19 for each violation of this [subtitle] **ARTICLE COMMITTED BY AN ADMINISTRATOR.**

20 (2) Notwithstanding paragraph (1) of this subsection, the Commissioner
21 may impose a civil penalty of not more than \$1,000 per day for each day that a person is in
22 violation of § 8–303(a) of this subtitle.

23 (3) In determining the amount of the civil penalty imposed under this
24 subsection, the Commissioner shall consider:

25 (i) the seriousness of the violation;

26 (ii) the good faith of the violator;

27 (iii) the violator's history of previous violations;

28 (iv) the deleterious effect of the violation on the plan and its
29 participants and beneficiaries;

30 (v) the assets of the violator; and

1 (vi) any other factors that relate to the determination of a financial
2 penalty.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2026.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.