



**American Property Casualty Insurance  
Association**

**Senate Finance Committee**

**SB 893 Insurance - Enforcement, Impaired  
Entities, Homeowner's Insurance Policies, and  
Unfair Claim Settlement**

**Practices – Revisions**

**March 5, 2025**

**Unfavorable**

The American Property Casualty Insurance Association (APCIA) is a national trade organization whose members write approximately 71.4% of the total property casualty market in Maryland. Senate Bill 893 provides for enhanced market conduct provisions which is already an area where the Maryland Insurance Administration has authority. In addition, the bill is dedicating many resources to homeowner carriers specifically towards hurricanes which while is understandable is not as widespread as Florida on which this legislation was based.

The Maryland Insurance Administration already has broad authority to conduct market conduct exams. Here are the relevant statutes.

**MD Code, Insurance, s 2-205. Examination of insurers, rating organizations, and health maintenance**

**organizations. (Maryland Insurance Administration – Enforcement.)**

Analysis defined

(a) In this section, "analysis" means a process by which the Commissioner collects and analyzes

information from filed schedules, surveys, required reports specified in subsection (b) of this section,

and other sources in order to:

(1) develop an understanding of the affairs, transactions, accounts, records, assets, and financial

condition of the entities specified in subsection (b) of this section; or

(2) identify or investigate patterns or practices of the entities specified in subsection (b) of this section.

Analysis or examination done by Commissioner

**(b) (1) Whenever the Commissioner considers it advisable, the Commissioner shall conduct an analysis**

**or examine the affairs, transactions, accounts, records, assets, and financial condition of each:**

**(i) authorized insurer;**

**(ii) management company of an authorized insurer;**

**(iii) subsidiary owned or controlled by an authorized insurer;**

**(iv) rating organization; or**

**(v) authorized health maintenance organization.**

**(2) The Commissioner shall examine each domestic insurer and health maintenance organization at**

**least once every 5 years.**

**MD ADC 31.04.20.04. Market Conduct Action.**

A. Whenever the Commissioner has the authority to conduct an analysis, examination, or investigation of

a person's business practices, the Commissioner may conduct a market conduct action.

**B. The Commissioner may conduct a market conduct action:**

**(1) Based on a complaint;**

**(2) As authorized by law;**

**(3) Whenever the Commissioner considers it is advisable; or**

**(4) With other states.**

C. If the Commissioner determines information is needed from a person to conduct a market conduct

action, in accordance with Regulation .05 of this chapter:

(1) The Commissioner shall request the information; and

(2) The person shall provide the information.

D. The Commissioner may participate in a market conduct action with one or more other states to

determine if a Maryland law has been violated by the person subject to the market conduct action.

In addition, any insured who is having difficulty with a claim, has the right to file a complaint

with the Maryland Insurance Administration. I have provided a link here for more information.  
<https://insurance.maryland.gov/Consumer/Pages/FileAComplaint.aspx>

This bill is unnecessary. For these reasons, APCIA urges the Committee to provide an unfavorable report on Senate Bill 843.

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