MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	09/03/2020	Date Filed with Division of State
OR REPROPOSED		Document
Actions on Regulations		Number Date of
J		Publication in MD Register

- 1. Desired date of publication in Maryland Register: 10/9/2020
- 2. COMAR Codification

Title Subtitle Chapter Regulation

31 08 03 04, .05, .07, .08

3. Name of Promulgating Authority

Maryland Insurance Administration

4. Name of Regulations CoordinatorDytonia Reed

Telephone Number 410-468-2465

Mailing Address

200 St. Paul Place, Suite 2700

City State Zip Code Baltimore MD 21202

Email

dytonia.reed1@maryland.gov

5. Name of Person to Call About this DocumentDytonia Reed

Telephone No. 410-468-2465

Email Address

dytonia.reed1@maryland.gov

6. Check applicable items:

_ New Regulations

X- Amendments to Existing Regulation				
	aded from COMAR online: 08/05/2020.			
Repeal of Existing RegulationsRecodification				
_ Recodification_ Incorporation by Reference of Docur	nonte Poquiring DSD Approval			
_ Reproposal of Substantively Differen				
: Md. R				
(vol.) (issue) (page no	s) (date)			
Under Maryland Register docket no.:				
7. Is there emergency text which is i	dentical to this proposal:			
_ Yes X- No	• •			
8. Incorporation by Reference				
_ Check if applicable: Incorporation by	Reference (IBR) approval form(s) attached and 18			
copies of documents proposed for inco	rporation submitted to DSD. (Submit 18 paper copies of AELR.)			
9. Public Body - Open Meeting				
, ,	y is a public body, check to include a sentence in the			
Notice of Proposed Action that proposed	ed action was considered at an open meeting held			
pursuant to General Provisions Article, §3-302(c), Annotated Code of Maryland.				
_ OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.				
Tinal action will be considered at an ope	armeeting.			
10. Children's Environmental Health	and Protection			
_ Check if the system should send a copy of the proposal to the Children's Environmental				
Health and Protection Advisory Counci	l.			
11. Certificate of Authorized Officer				
I certify that the attached document is in compliance with the Administrative Procedure Act. I				
also certify that the attached text has been approved for legality by Philip Pierson, Assistant				
is on file at this agency.	8-2016) on 08/14/2020. A written copy of the approval			
io on the at the agoney.				
Name of Authorized Officer				
Kathleen A. Birrane				
Title	Telephone No.			
Insurance Commissioner	410-468-2471			

Title 31 MARYLAND INSURANCE ADMINISTRATION

Date 09/02/2020

Subtitle 08 PROPERTY AND CASUALTY INSURANCE 31.08.03 Notices of Cancellation, Nonrenewal, Premium Increase, and Reduction in Coverage

Authority: Insurance Article, §§2-109, 27-609, 27-613, and 27-614, Annotated Code of Maryland

Notice of Proposed Action

[]

The Insurance Commissioner proposes to amend regulations .04, .05, .07, and .08 under COMAR 31.08.03 Notices of Cancellation, Nonrenewal, Premium Increase, and Reduction in Coverage.

Statement of Purpose

The purpose of this action is to amend regulations .04, .05, .07, and .08 under COMAR 31.08.03 Notices of Cancellation, Nonrenewal, Premium Increase, and Reduction in Coverage. During the 2020 General Assembly Legislative session, Senate Bill 97(SB 97) was passed, which amended §27-613, and §27-614 of the Insurance Article. See Md. Laws 2020, Ch. 523. SB 97 permits consumers to electronically file a protest or request a hearing of premium increase via the Administration's consumer complaint portal in response to notices of auto premium increases, non-renewals, and cancellation. These regulations implement those requirements.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Dytonia Reed, Assistant Director of Government Relations, Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, or call 410-468-2007, or email to InsuranceRegReview.mia@maryland.gov, or fax to 410-468-2020. Comments will be accepted through November 8, 2020. A public hearing has not been scheduled.

Economic Impact Statement Part C

- A. Fiscal Year in which regulations will become effective: FY 2020
- B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

 No
- C. If 'yes', state whether general, special (exact name), or federal funds will be used:
- D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

These regulations do not require additional funds for implementation.

- E. If these regulations have no economic impact under Part A, indicate reason briefly: These regulations have no economic impact because the existing consumer portal has capacity to accept electronic submissions.
- F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

The implementation of these regulations have minimal or no economic impact on small businesses because these regulations will permit consumers and business to submit electronic complaints thereby reducing paper use.

G. Small Business Worksheet:

Attached Document:

Title 31 MARYLAND INSURANCE ADMINISTRATION

Subtitle 08 PROPERTY AND CASUALTY INSURANCE

Chapter 03 Notices of Cancellation, Nonrenewal, Premium Increase, and Reduction in Coverage

Authority: Insurance Article, §§2-109, 27-609, 27-613, and 27-614, Annotated Code of Maryland

.04 Procedure and Requirements Regarding Cancellation or Nonrenewal.

A notice of cancellation or nonrenewal sent by an insurer to its insured in accordance with Insurance Article, §27-613, Annotated Code of Maryland, shall be sent in triplicate by certified mail and shall, in addition to the statutory information required in the notice of cancellation or nonrenewal, include the following on the first page of the notice in 12-point bold type:

IMPORTANT "Right of Protest"

The "Right of Protest" does not apply to cancellation or nonrenewal due to nonpayment of premium.

You may protest the action proposed by this notice as provided under Insurance Article, \$27-613, Annotated Code of Maryland. For your protest to be duly filed you, the named insured, must sign two copies of this notice and send them to:

Insurance Commissioner
Maryland Insurance Administration
200 St. Paul Place
Baltimore, Maryland 21202
Fax Number 410-468-2334 or 410-468-2307

within thirty (30) days after this notice was mailed to you. If your protest is not filed within the thirty (30) days, it cannot be considered by the Insurance Administration. Instead of mailing or faxing the signed notice, you may file your protest online via the Maryland Insurance Administration's website (www.insurance.maryland.gov) by uploading a signed copy at the following link:

https://enterprise.insurance.maryland.gov/consumer/ConsumerPortalWelcomePage.aspx

Your timely filed protest stays the action proposed by this notice. Accordingly, your insurance policy will remain in effect with the same coverages and premium that applied on the mailing date of the notice until a determination is made by the Commissioner. In order to keep your policy in effect, however, you must timely pay any authorized premium due or becoming due before the determination is issued.

The Insurance Commissioner will determine whether your protest has merit. You will then be notified in writing whether the proposed action is disallowed or your protest is dismissed.

If the protest is dismissed, you then have the right, within thirty (30) days after the mailing date of the determination, to request a hearing.

If you request a hearing, you will be notified in writing of the time and place of the hearing at least ten (10) days before the hearing. The Commissioner shall order the insurer to pay reasonable attorney fees incurred by you for representation at the hearing if the Commissioner finds that: (1) the actual reason for the proposed action is not stated in the notice or the proposed action is not in accordance with §27-501 of the Insurance Article, the insurer's filed rating plan, its underwriting standards, or the lawful terms and conditions of the policy related to a cancellation or nonrenewal; and (2) the insurer's conduct in maintaining or defending the proceeding was in bad faith or the insurer acted willfully in the absence of a bona fide dispute.

I protest the action proposed by the insurer.	
My reasons for protesting the action are:	
	
Signed (Named Insured)	Date
Daytime Phone Number	

.05 Procedure and Requirements Regarding a Reduction in Coverage.

A notice of reduction in coverage sent by an insurer to its insured in accordance with Insurance Article, §27-613, Annotated Code of Maryland, shall be sent in triplicate by certificate of mail and shall, in addition to the statutory information required in the notice of reduction in coverage, include the following on the first page of the notice in 12-point bold type:

IMPORTANT "Right of Protest" You may protest the action proposed by this notice as provided under Insurance Article, §27-613, Annotated Code of Maryland. For your protest to be duly filed you, the named insured, must sign two copies of this notice and send them to:

Insurance Commissioner Maryland Insurance Administration 200 St. Paul Place Baltimore, Maryland 21202 Fax Number 410-468-2334 or 410-468-2307

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Daytime Phone Number				