

investments, or guarantees involving 1/2 of 1 percent (.5 percent) or less of an insurer's admitted assets as of the 31st day of the December next preceding may not be deemed material for the purposes of this section.

.10—.12 (originally proposed text unchanged)

.13 Enterprise Risk Report.

The ultimate controlling person of an insurer required to file an enterprise risk report under Insurance Article, §7-603(h)(1), Annotated Code of Maryland, shall:

A. **[[[By]]] Unless extended by the Commissioner for good cause, by July 1 of each year, file with the Commissioner a properly executed Form F in accordance with the format, guidelines, and instructions approved by the Commissioner; and**

B. (originally proposed text unchanged)

.14 Extraordinary Dividends and Other Distributions.

A. (originally proposed text unchanged)

B. The insurer shall file a written request for approval of extraordinary dividends or any other extraordinary distribution to shareholders and shall include the following in the request:

(1)—(3) (originally proposed text unchanged)

(4) The copy of the calculations determining that the proposed dividend is extraordinary pursuant to the definition in Insurance Article, §7-706(b), Annotated Code of Maryland, which shall include the following information:

(a)—(b) (originally proposed text unchanged)

(c) One of the following:

(i) If the insurer is a life insurer, the net gain from operations of the insurer not including realized capital gains **for the 12-month-period ending December 31 of the preceding year** or pro rata distributions of any class of the insurer's own securities **[[[for the 12 month period ending December 31 of the preceding year]]]; or**

(ii) If the insurer is not a life insurer, the net investment income not including realized capital gains **for the 12-month period ending December 31 of the preceding year** or pro rata distributions of any class of the insurer's own securities **[[[for the 12-month period ending December 31 of the preceding year]]]; and**

(d) (originally proposed text unchanged)

(5)—(6) (originally proposed text unchanged)

ALFRED W. REDMER, JR.
Insurance Commissioner

Subtitle 06 TAXES AND FEES

Notice of Proposed Action

[16-118-P]

The Insurance Commissioner proposes to amend:

(1) The **authority line** under **COMAR 31.06.01 Allocation and Taxation of Premiums;**

(2) Regulations **.01** and **.02** under **COMAR 31.06.02 Retaliatory Tax;** and

(3) Regulation **.04** under **COMAR 31.06.04 Premium Tax—Required Filings, Payments, Penalties, and Interest.**

Statement of Purpose

The purpose of this action is to update the enabling authority of COMAR 31.06.01; amend COMAR 31.06.02.01 with a technical change to improve clarity; amend COMAR 31.06.02.02 with a technical change that improves clarity; amend COMAR 31.06.04.04A to be consistent with Insurance Article, §6-108(a), Annotated Code of Maryland; and amend COMAR 31.06.04.04A(1)

by adding a reference to clarify that an assessment of penalties can be against both a carrier's annual premium tax payment and a carrier's quarterly premium tax estimate payments.

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 Lisa Larson, Assistant Director of Regulatory Affairs, Maryland Insurance Administration, 200 Saint Paul Place, Ste. 2700, Baltimore, MD 21202, or call 410-468-2007, or email to insuranceregreview.mia@maryland.gov, or fax to 410-468-2020. Comments will be accepted through June 27, 2016. A public hearing has not been scheduled.

31.06.01 Allocation and Taxation of Premiums

Authority: Insurance Article, §§2-109[,] and 6-102—6-104, [and 6-114,] Annotated Code of Maryland

31.06.02 Retaliatory Tax

Authority: Insurance Article, §§2-109 and Title 6, Subtitle 3, Annotated Code of Maryland

.01 Premium Tax Report.

Beginning with the return for the calendar year 1967, to be filed on or before March 15, 1968, each foreign and alien insurer licensed to do business in Maryland shall prepare, as part of the annual premium tax report, an analysis in the aggregate of the applicable taxes, licenses, and other fees payable by a Maryland insurer transacting the same lines of business to any agency or department of the foreign or alien insurer's state of domicile. An analysis, in the aggregate, shall also be prepared of all the applicable taxes, licenses, and other fees payable by the foreign or alien insurer to any agency or department of Maryland. On the basis of these analyses, the company shall compute the retaliatory tax and include the payment of the total due if any in its remittance for premium taxes, payable to the Maryland Insurance Administration on or before March 15th in each calendar year, the time fixed by statute for filing the premium tax report. A composite tax form will be [furnished] *made available* to all affected insurers.

.02 Audit.

The Maryland Insurance Administration shall [include] *perform* an audit of the retaliatory tax with its audit of the annual premium tax report and in addition shall compute and bill for any additional retaliatory tax due from companies domiciled in a state where by statute or ordinance taxes, licenses, or fees are payable to political subdivisions of that state. If the amount of retaliatory tax computed by the Maryland Insurance Administration is greater than the amount shown on the report, the excess shall be assessed by the Maryland Insurance Administration and a notice of the assessment shall be mailed to the insurance company filing the report. The assessment shall be made within 3 years from the date the report was due, except in the case of failure to file a report or of a fraudulent report, in which case the excess may be assessed at any time.

31.06.04 Premium Tax—Required Filings, Payments, Penalties, and Interest

Authority: Insurance Article, §§2-109, 6-101—6-103, and 6-106—6-109, Annotated Code of Maryland

.04 Interest and Penalties.

A. [The Commissioner shall assess] *Each taxpayer is subject to the assessment of a penalty of 5 percent of the amount not paid when due and interest at the rate specified in Tax-General Article, §13-604(b)(1), Annotated Code of Maryland, from the date the tax was due until payment is made to the Commissioner when the taxpayer fails to remit or remits less than:*

(1) The amount due with:

(a) [the] *The declaration of estimated annual tax in accordance with Regulation .02C of this chapter; or*

(b) [with each] *Each quarterly payment report in accordance with Regulation [.02] .02D of this chapter; or*

(2) (text unchanged)

B.—E. (text unchanged)

ALFRED W. REDMER, JR.
Insurance Commissioner

.03 Specific Criteria and Standards.

[A. Revisions or Modifications. A private review agent shall submit any revisions or modifications of specific criteria and standards to the Commissioner at least 10 days before using the modified specific criteria and standards while conducting utilization review of proposed or delivered services.]

[B.] A.—[C.] B. (text unchanged)

ALFRED W. REDMER, JR.
Insurance Commissioner

**Subtitle 10 HEALTH INSURANCE —
GENERAL**

31.10.21 Private Review Agents

Authority: Insurance Article, §§2-109(a)(1) and 15-10B-03(h), Annotated Code of Maryland

Notice of Proposed Action

[16-121-P]

The Insurance Commissioner proposes to amend Regulation .03 under **COMAR 31.10.21 Private Review Agents**.

Statement of Purpose

The purpose of this action is to repeal the requirement in Regulation .03A that a private review agent shall submit any revisions or modifications of specific criteria to the Commissioner at least 10 days before using the modified specific criteria and standards. This filing requirement is derived from Insurance Article, §15-10B-05(b), Annotated Code of Maryland, which has been repealed by H.B. 798, Ch. 121, Acts of 2016.

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 Catherine Grason, Director of Regulatory Affairs, Maryland Insurance Administration, 200 St. Paul Place, Ste. 2700, Baltimore, MD 21202, or call 410-468-2201, or email to insuranceregreview.mia@maryland.gov, or fax to 410-468-2020. Comments will be accepted through June 27, 2016. A public hearing has not been scheduled.