

**Subtitle 27 HAZARDOUS MATERIAL  
SECURITY**

**26.27.01 Hazardous Material Security**

Authority: Environment Article, §§7-701—7-709, Annotated Code of Maryland

**Notice of Proposed Action**  
[18-063-P]

The Secretary of the Environment proposes to repeal in their entirety Regulations .01—.12 under **COMAR 26.27.01 Hazardous Material Security**.

**Statement of Purpose**

The purpose of this action is to repeal regulations regarding hazardous material security requirements to conform to statutory changes. Effective July 1, 2017, Ch. 375, Acts of 2017, repealed the Hazardous Materials Security (MHMS) law, which required certain facilities that handle threshold amounts of hazardous materials to conduct and submit self-audits and a \$2,500 fee every 5 years. The proposed action would remove the corresponding regulations to avoid confusion.

**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 Kaley Laleker, Deputy Director, Land and Materials Administration, Maryland Department of the Environment, 1800 Washington Blvd., Suite 610, Baltimore, MD 21230-1719, or call 410-537-3314, or email to kaley.laleker@maryland.gov, or fax to 410-537-3002. Comments will be accepted through April 30, 2018. A public hearing has not been scheduled.

BENJAMIN H. GRUMBLES  
Secretary of the Environment

**Title 31  
MARYLAND INSURANCE  
ADMINISTRATION**

**Subtitle 03 INSURANCE PRODUCERS  
AND OTHER INSURANCE  
PROFESSIONALS**

**31.03.06 Surplus Lines**

Authority: Insurance Article, §§2-109, 3-304, 3-306, 3-307, 3-308, 3-311—3-313, 3-325(c), 9-301(f), 9-303(5), [9-401(i)(1)] 9-401(j)(1), [and] 9-405(b), and 27-216, Annotated Code of Maryland

**Notice of Proposed Action**  
[18-053-P]

The Insurance Commissioner proposes to amend Regulation .09 under **COMAR 31.03.06 Surplus Lines**.

**Statement of Purpose**

The purpose of this action is to amend COMAR 31.03.06.09 to conform to the disclosure notification requirement contained in Insurance Article, §27-216(d)(8), Annotated Code of Maryland. The proposed amendments will clarify the types of things a surplus lines broker must disclose to an insured per the requirements of the Insurance Article.

**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, Regulations Manager, Maryland Insurance Administration, 200 Saint Paul Place, Suite 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 April 30, 2018. A public hearing has not been scheduled.

**.09 Disclosure Form.**

A. — B. (text unchanged)

C. *In addition to the disclosure required by §B of this regulation, the surplus lines broker shall:*

*(1) Provide a clear and conspicuous written disclosure to the prospective insured of:*

*(a) Any inspection fee;*

*(b) The total amount of the policy fee;*

*(c) The premium tax on the policy;*

*(d) Any financial interest of the person performing the inspection, if applicable;*

*(e) Whether the surplus lines broker will receive compensation from the person that performs the inspection; and*

*(f) Any charge for actual expenses incurred by the surplus lines broker for payment of the premium, policy fee, and any other fees and taxes relating to the policy by use of a credit card; and*

(2) Notify the prospective insured of the option to obtain the inspection from another person who meets the requirements of or is approved by the surplus lines broker.

[C.] D. — [D.] E. (text unchanged)

ALFRED W. REDMER, JR.  
Maryland Insurance Commissioner

## Subtitle 09 LIFE INSURANCE AND ANNUITIES

### 31.09.16 Accelerated Benefits

Authority: Insurance Article, §§2-109, 5-301, 12-205(b)(4) and (8), and 27-202, Annotated Code of Maryland

#### Notice of Proposed Action

[18-054-P]

The Insurance Commissioner proposes to adopt new Regulations .01 — .12 under a new chapter, **COMAR 31.0916 Accelerated Benefits under COMAR 31.09 Life Insurance and Annuities.**

#### Statement of Purpose

The purpose of this action is to adopt new COMAR 31.09.16.01 — .12 to implement the NAIC Accelerated Benefits Model Regulation #620. In addition, these regulations will codify the review that the Maryland Insurance Administration's Life and Health unit will use for the Accelerated Benefit products sold in the market.

#### 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, Regulations Manager, Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202, or call 410-468-2007, or email to [insuranceregreview.mia@maryland.gov](mailto:insuranceregreview.mia@maryland.gov), or fax to 410-468-2020. Comments will be accepted through April 30, 2018. A public hearing has not been scheduled.

#### .01 Purpose.

The purpose of this chapter is to regulate accelerated benefit provisions in individual and group life insurance policies and to provide required standards of disclosure.

#### .02 Scope.

This chapter shall apply to all accelerated benefit provisions of individual and group life insurance policies issued or delivered in Maryland except those subject to Insurance Article, Title 18, Annotated Code of Maryland.

#### .03 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Accelerated benefits" means benefits payable under a life insurance contract that:

(a) Are payable during the lifetime of the insured in anticipation of death or upon the occurrence of specified life-

threatening or catastrophic conditions as defined by the policy or rider, to a policy owner or certificate holder;

(b) Reduce the death benefit otherwise payable under the life insurance contract; and

(c) Are payable upon the occurrence of a single qualifying event that results in the payment of a benefit amount fixed at the time of acceleration.

(2) "Activities of daily living" has the meaning stated in COMAR 31.14.01.02B.

(3) "Chronic illness" means:

(a) The permanent inability to perform, without substantial assistance from another individual, a specified number of activities of daily living; or

(b) Permanent severe cognitive impairment and similar forms of dementia requiring substantial supervision of the insured.

(4) "Qualifying event" means one or more of the following:

(a) A medical condition that would result in a drastically limited life span as specified in the contract;

(b) A medical condition that requires extraordinary medical intervention without which the insured would die;

(c) A medical condition that usually requires continuous confinement in an eligible institution as defined in the contract if the insured is expected to remain there for the rest of the insured's life;

(d) A medical condition that would, in the absence of extensive or extraordinary medical treatment, result in a drastically limited life span;

(e) A chronic illness; or

(f) Any other qualifying event that the Commissioner may approve.

#### .04 Type of Product.

Accelerated benefit riders and life insurance policies with accelerated benefit provisions are primarily mortality risks rather than morbidity risks.

#### .05 Assignee or Irrevocable Beneficiary.

Prior to the payment of the accelerated benefit, the insurer shall obtain from an assignee or irrevocable beneficiary a signed acknowledgement of concurrence for payout. If the insurer is the assignee under the policy, no acknowledgement is required.

#### .06 Criteria for Payment.

A. Lump Sum Settlement Option.

(1) The insurer shall include the option to take the benefit as a lump sum in the contract payment options.

(2) The benefit may not be made available as an annuity contingent upon the life of the insured.

B. No restrictions are permitted on the use of the proceeds.

C. If any death benefit remains after payment of an accelerated benefit, the accidental death benefit provision, if any, in the policy or rider may not be affected by the payment of the accelerated benefit.

#### .07 Disclosures.

A. Descriptive Title.

(1) The insurer shall include the term "accelerated benefit" in the policy or rider's title.

(2) An accelerated benefit product being offered under this chapter may not be described or marketed as long-term care insurance or as providing long-term care benefits.

B. Disclosure of Tax Consequences.

(1) A written disclosure stating that receipt of the accelerated benefits may be taxable and assistance should be sought from a personal tax advisor shall be provided by the insurer at the time of application for the policy or rider, and at the time the accelerated benefit payment request is submitted.