

**Title 31**  
**MARYLAND INSURANCE**  
**ADMINISTRATION**

**Subtitle 03 INSURANCE PRODUCERS**  
**AND OTHER INSURANCE**  
**PROFESSIONALS**  
**31.03.12 Procedures — Written Consent —**  
**Federal Law**

Authority: Insurance Article, §2-109(e), Annotated Code of Maryland

**Notice of Proposed Action**

[18-172-P]

The Insurance Commissioner proposes to amend Regulation .04 under **COMAR 31.03.12 Procedures — Written Consent — Federal Law**.

**Statement of Purpose**

The purpose of this action is to amend COMAR 31.03.12.04 to reflect the change over the past several years in the way the Federal Bureau of Investigations and Criminal Justice Information System have handled applications for records checks. Amending the language of the regulation from "on a form" to "in a manner" will allow the regulations to stay current without requiring the Maryland Insurance Administration to make changes to the regulation every time the way in which the applications are handled changes.

**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 Tyler Hoblitzell, Legislative and Regulatory Analyst, Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202, or call 410-468-2488, or email to [insuranceregreview.mia@maryland.gov](mailto:insuranceregreview.mia@maryland.gov), or fax to 410-468-2020. Comments will be accepted through August 20, 2018. A public hearing has not been scheduled.

**.04 Application for Written Consent.**

A. — C. (text unchanged)

D. Request for Criminal Records Check.

(1) An applicant shall apply for a records check for the existence of criminal convictions in the criminal history records information maintained by the Criminal Justice Information System Central Repository of the Department of Public Safety and Correctional Services and received from the Federal Bureau of Investigation by:

(a) Completing and submitting, [on a form] *in a manner* approved by the Director of the Central Repository, an application containing identifying information, including the applicant's Social Security number, to verify identity and preserve the security of the record maintained by the Central Repository;

(b) — (c) (text unchanged)  
(2) (text unchanged)  
E. — F. (text unchanged)

ALFRED W. REDMER, JR.  
Insurance Commissioner

**Subtitle 09 LIFE INSURANCE AND**  
**ANNUITIES**

**31.09.05 Replacement of Life Insurance and**  
**Annuities**

Authority: Insurance Article, §§2-109 and 27-213, Annotated Code of Maryland

**Notice of Proposed Action**

[18-188-P]

The Insurance Commissioner proposes to amend Regulation .06 under **COMAR 31.09.05 Replacement of Life Insurance and Annuities**.

**Statement of Purpose**

The purpose of this action is to amend Regulation .06 under COMAR 31.09.05 Replacement of Life Insurance and Annuities. The Maryland Insurance Administration's Life and Health Market Conduct Unit receives questions from insurance companies often regarding this regulation and when the 5-business-day tracking begins. Specifically, companies ask whether the tracking should begin at the time an insurance producer takes the replacement insurance application or when the completed application indicating replacement has been received at the home office of the insurer. The Maryland Insurance Administration is proposing a change to Regulation .06A(2)(a) to clarify that the 5-business-day period begins from the date the completed application indicating replacement has been received at the home office of the insurer.

**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 Tyler Hoblitzell, Legislative and Regulatory Analyst, Maryland Insurance Administration, 200 Saint Paul Place, Suite 2700, Baltimore, MD 21202, or call 410-468-2488, or email to [insuranceregreview.mia@maryland.gov](mailto:insuranceregreview.mia@maryland.gov), or fax to 410-468-2020. Comments will be accepted through August 20, 2018. A public hearing has not been scheduled.

**.06 Duties of Replacing Insurers that Use Insurance Producers.**

A. In General. If a replacement is involved in a transaction, the replacing insurer shall:

(1) (text unchanged)

(2) Notify any other existing insurer that may be affected by the proposed replacement within 5 business days after:

(a) Receipt of a completed application indicating replacement *at the home office of the replacing insurer*; or

(b) (text unchanged)

(3) — (5) (text unchanged)

B. — D. (text unchanged)

ALFRED W. REDMER, JR.  
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-R]

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**. Because substantive changes have been made to the original proposal as published in 45:7 Md. R. 389—391 (March 30, 2018), this action is being re-proposed at this time.

**Statement of Purpose**

The purpose of this action is to amend the originally proposed Regulation .03 under COMAR 31.09.16 Accelerated Benefits. In reviewing the proposed language, it came to the attention of the Maryland Insurance Administration that the definition of "qualifying event" was not in line with the Interstate Insurance Product Regulation Commission's definition of "qualifying event" and not in line with the current accelerated benefit policies and riders the Maryland Insurance Administration accepts. Therefore, we are proposing a change to clarify that a "qualifying event" must always include a terminal illness provision and adding a definition of terminal illness.

**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 Tyler Hoblitzell, Legislative and Regulatory Analyst, Maryland Insurance Administration, 200 St. Paul Place, Suite 2700, Baltimore, MD 21202, or call 410-468-2488, or email to [insuranceregreview.mia@maryland.gov](mailto:insuranceregreview.mia@maryland.gov), or fax to 410-468-2090. Comments will be accepted through August 20, 2018. A public hearing has not been scheduled.

Ed. Note: Pursuant to State Government Article, §10-113, Annotated Code of Maryland, if a promulgating agency substantively alters the text of regulations that have been previously proposed in the Maryland Register, the altered text must be published in the Maryland Register as though it were initially proposed. The text of regulations appearing immediately below has been altered substantively from the initially proposed text.

Symbols: Roman type indicates existing text of regulations. *Italic* type indicates initially proposed new text. **Arial Bold Italic** type indicates new text that substantively alters the text as initially proposed. [Single brackets] indicate existing text proposed for repeal. [[[Triple brackets]]] indicate text proposed for deletion which substantively alters the originally proposed text.

.01—.02 (originally proposed text unchanged)

**.03 Definitions.**

A. (originally proposed text unchanged)

B. *Terms Defined.*

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

(5) **"Terminal illness" means a medical condition that is reasonably expected to result in a drastically limited life span for the insured as specified in the contract.**

**.04 Type of Product.**

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

B. **The inclusion of terminal illness as a qualifying event shall be included in all accelerated benefit policies and riders.**

.05—.12 (originally proposed text unchanged)

ALFRED W. REDMER, JR.  
Insurance Commissioner

**Subtitle 10 HEALTH INSURANCE — GENERAL**

**31.10.16 Carrier Provider Panels — Application Process**

Authority: Insurance Article, §§2-109 and 15-112, Annotated Code of Maryland

**Notice of Proposed Action**  
[18-187-P]

The Insurance Commissioner proposes to amend Regulation .05 under **COMAR 31.10.16 Carrier Provider Panels — Application Process**.

**Statement of Purpose**

The purpose of this action is to amend Regulation .05 under COMAR 31.10.16 Carrier Provider Panels--Application Process. During life and health market conduct reviews, it has come to the attention of the Maryland Insurance Administration, that many insurance companies are not sure when to date stamp a provider application. The proposed change to Regulation .05B(1) will clarify that the insurance company shall date stamp each provider application when the application is initially received by the insurance company.

**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 Tyler Hoblitzell, Legislative and Regulatory Analyst, Maryland Insurance Administration, 200 Saint Paul Place, Suite 2700, Baltimore, MD 21202, or call 410-468-2488, or email to [insuranceregreview.mia@maryland.gov](mailto:insuranceregreview.mia@maryland.gov), or fax to 410-

468-2020. Comments will be accepted through August 20, 2018. A public hearing has not been scheduled.

**.05 Document Retention.**

A. (text unchanged)

B. A carrier shall:

(1) Date stamp each application received from a provider *upon initial receipt*; and

(2) (text unchanged)

ALFRED W. REDMER, JR.  
Insurance Commissioner