

	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:		
Cost	(+)	Minimal
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

D. The cost to insurance producers may increase slightly if they are required to maintain their license to sell variable products. However, the cost should be minimal.

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, 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 February 19, 2019. A public hearing has not been scheduled.

.03 Qualifications of [Agents and Brokers] Producers.

A. Qualification to Sell Variable Annuity Contracts.

(1) A person may not sell or offer for sale in this State any variable annuity contract unless the person is [an agent or broker] *a producer* and has filed with the Commissioner, in a form satisfactory to the Commissioner, evidence that the person holds [any] *a license [or authorization] and other authorizations* which may be required by *any federal or State securities law* for the solicitation, [or] sale or negotiation of variable annuities [by any federal or State securities law].

(2) A person may not in this State solicit, sell, [take applications for,] or act or aid in any manner in the negotiation of any variable contract [on a variable basis] unless [he] *such person has been so qualified* [for the sale of life insurance and annuities in accordance with the provisions of Insurance Article, Title 10, Subtitle 1, Annotated Code of Maryland, including passing the written examination required under] *in accordance with the provisions of Insurance Article, §§10-105 and 10-109, Annotated Code of Maryland, and is [specifically] licensed by the Commissioner to act as [agent or broker in regard to the sale of contracts on a variable basis] a producer of life insurance and annuity contracts.*

B. Reports of Disciplinary Actions and Criminal Prosecution. A person qualified in this State under this regulation to [sell or offer to sell] *act as a producer of variable annuity [insurance] contracts* shall [immediately] report to the Commissioner *in accordance with Insurance Article, §§10-126(f) and (g), Annotated Code of Maryland:*

(1) Suspension or revocation of [the person's agent's] *a producer license* in any other state or territory of the United States;

(2) Imposition of disciplinary sanction, including suspension or expulsion from [membership,] *membership; [suspension,] suspension or revocation [of] or denial of registration imposed upon the [person] producer by any national securities [exchange,] exchange or national securities [association,] association or any federal, state, or territorial*

agency with jurisdiction over securities or variable annuity [insurance] *contracts;*

(3) Judgment or injunction entered against the [person] *producer* on the basis of conduct deemed to have involved fraud, deceit, misrepresentation or violation of any insurance or securities law or regulation[.]; *or*

(4) *Criminal prosecution as defined in Insurance Article §10-126(g), Annotated Code of Maryland.*

C. Refusal to Qualify [Agent] Producer to Sell Variable Annuity [Insurance] Contracts—Suspension, Revocation, or Nonrenewal of Qualification. The Commissioner may reject an application or suspend, revoke, or refuse to renew a [agent's] *producer's* qualification under this regulation to *solicit, sell or [offer to sell] negotiate* variable annuity [insurance] *contracts* upon any ground that would bar the applicant or [agent] *producer* from being licensed to *solicit, sell, or negotiate* [other] life insurance [contracts] *policies* in this State. The rules governing [a proceeding] *proceedings* relating to the *rejection of a producer's application, suspension or revocation of [an agent's] a producer's license or refusal to renew a producer's license* shall also govern [proceeding for suspension or revocation of an agent's qualification to sell or offer to sell variable annuity insurance] *proceedings under this regulation.*

ALFRED W. REDMER, JR.
Insurance Commissioner

Notice of Proposed Action

[19-003-P]

The Insurance Commissioner proposes to:

(1) Amend Regulation .04 under COMAR 31.10.25 **Required Standard Provisions for Individual Nonprofit Health Service Plan Contracts;**

(2) Amend Regulation .05 under COMAR 31.10.28 **Individual Health Insurance Contracts — Standard Provisions and Exclusions;** and

(3) Amend Regulation .05 under COMAR 31.12.07 **Required Standard Provisions.**

Statement of Purpose

The purpose of this action is to amend the standards for premium due dates under health insurance policies, nonprofit health service plan contracts, and health maintenance organization contracts to avoid a conflict with new regulations proposed by the Maryland Health Benefit Exchange.

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 February 19, 2019. A public hearing has not been scheduled.

Subtitle 10 HEALTH INSURANCE — GENERAL

31.10.25 Required Standard Provisions for Individual Nonprofit Health Service Plan Contracts

Authority: Insurance Article, §12-203(g), Annotated Code of Maryland

.04 Standard Provisions.

A.—L. (text unchanged)

M. Premium Due Date.

(1) (text unchanged)

(2) The premium due date shall be *no earlier than* the date the coverage period begins.

(3)—(4) (text unchanged)

31.10.28 Individual Health Insurance Contracts — Standard Provisions and Exclusions

Authority: Insurance Article, §§2-109, 12-203(g), and 12-205(b)(4), Annotated Code of Maryland

.05 Premium Due Date.

A. (text unchanged)

B. The premium due date shall be *no earlier than* the date the coverage period begins.

C.—D. (text unchanged)

Subtitle 12 HEALTH MAINTENANCE ORGANIZATIONS; ENTITIES THAT ACT AS HEALTH INSURERS

31.12.07 Required Standard Provisions

Authority: Health-General Article, §19-713(f); Insurance Article, §12-203(g); Annotated Code of Maryland

.05 Individual Contract Standard Provisions.

A.—G. (text unchanged)

H. Premium Due Date.

(1) (text unchanged)

(2) The premium due date shall be *no earlier than* the date the coverage period begins.

(3)—(4) (text unchanged)

ALFRED W. REDMER, JR.
Insurance Commissioner

Subtitle 15 UNFAIR TRADE PRACTICES

31.15.12 Valuation of Motor Vehicles

Authority: Insurance Article, §27-304.1, Annotated Code of Maryland

Notice of Proposed Action

[19-004-P]

The Insurance Commissioner proposes to amend Regulation .03 under COMAR 31.15.12 Valuation of Motor Vehicles.

Statement of Purpose

The purpose of this action is to amend Regulation .03 under COMAR 31.15.12 Valuation of Motor Vehicles. Regulation .03B deals with settlement of total loss claims involving first-party

claimants and currently states that the insurer must work on settling the claim within 10 business days after the insurer determines that the vehicle is a total loss. Regulation .03D on the other hand deals with third-party claimants and currently states that within 10 days after an insurer determines that the vehicle is a total loss, the insurer should work to settle the claim. Although not specifically stated, currently the Maryland Insurance Administration considers the third-party claimant requirement to mean 10 calendar days. For consistency, we are proposing a change to Regulation .03B to change the word “business” to “calendar”. Additionally, for clarification and consistency we are adding the word “calendar” in front of days to Regulation .03D.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. The proposed action may increase the administrative costs to insurance companies when settling first party claims as the change will affect the number of days they have to settle a total loss claim.

II. Types of Economic Impact.	Revenue (R+/R-)	Magnitude
	Expenditure (E+/E-)	
A. On issuing agency:	NONE	
B. On other State agencies:	NONE	
C. On local governments:	NONE	
	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:	NONE	
Administrative costs	(+)	Minimal
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

D. Assuming some insurance companies wait until the end of the 10th business day to offer first party claimants a total loss settlement, their administrative costs might increase slightly to work on settling the claim in 10 calendar days instead, as that is a short time frame.

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, 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 February 19, 2019. A public hearing has not been scheduled.