LARRY HOGAN Governor

BOYD K. RUTHERFORD Lt. Governor



AL REDMER, JR. Commissioner

NANCY GRODIN Deputy Commissioner

CATHERINE E. GRASON Director of Regulatory Affairs

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June 29, 2015

Administrative, Executive and Legislative Review (AELR) Committee 90 State Circle Annapolis, MD 21401

Governor's Office Attn: Mike Richard, Deputy Chief of Staff State House Annapolis, MD 21401

Division of State Documents State House Annapolis, MD 21401

State Publications Depository and Distribution Program Attn: Brigid Sye-Jones Enoch Pratt Free Library 400 Cathedral St. Baltimore, MD 21201

Department of Legislative Services Library 90 State Circle Annapolis, MD 21401

RE: Regulatory Review and Evaluation Act Evaluation Report-COMAR 31.05

Dear Sir or Madam:

I am filing the required number of copies of the attached Evaluation Report on behalf of the Maryland Insurance Administration as follows:

- AELR Committee-one copy
- Governor's Office (Mike Richard)-one copy
- Division of State Documents-one copy

- State Library Resource Center via State Publications Depository and Distribution Program (Brigid Sye-Jones)-sixteen copies
- Department of Legislative Services Library-five copies

If you have any questions, or require additional information, please contact me at the above-referenced telephone number and email address.



Catherine Grason Director of Regulatory Affairs, Office of the Commissioner

Chapter C	odification:	COMAR 31.05.02								
Chapter Name:	Cer	tificate of Valuation—Life Insurers								
Authority:	uthority: Insurance Article, §§2-109 and 4-116, Annotated Code of Maryland									
Date Orig	inally Adopte	d or Last Amended: February 20, 1989								
Purpose:	The purpose of this chapter is to set forth procedures for the annual filing of a certificate of valuation by life insurance companies.									
<b>A. Revie</b> 01.01.200		State Government Article, §10-132(1)(i), Annotated Code of Maryland; COMAR								
(1) Do	o the regulatio	ons continue to be necessary for the public interest? X Yes No								
		ons continue to be supported by statutory authority and judicial opinion? XYes No								
(3) A1	re the regulation	ons obsolete or otherwise appropriate for amendment or repeal? Yes X No								
(4) A1	re the regulation	ons effective in accomplishing their intended purpose? XYes No								
B. Outre	each and Res	earch. (State Government Article, §10-135(a)(2)(i)-(viii), Annotated Code of Maryland)								
	(1) List any stakeholders invited to review the regulations and provide a summary of their participation in and input into the review process.									
	pages of the Center, For It pages received invitation to c	Maryland Insurance Administration's (MIA) website: Proposed Regulations, News nsurers, For Producers, and For Consumers. In addition, subscribers to these web dan email message alerting them to the regulatory review notice. Notices included an comment, along with a contact name and information. Every notice included an email le wishing to submit comments. Comments were collected for sixty (60) days. No are received.								

(2) List any other affected agencies that were invited to review the regulations and provide a summary their participation in and input into the review process.	of
All State agencies were notified through publication in the <i>Maryland Register</i> and on the Secretar of State's Division of State Documents (DSD) website. No comments were received.	у
<ul> <li>(3) Describe the process used to solicit public comment, including:</li> <li>(a) any notice published in the Maryland Register;</li> <li>(b) any notice published in newspapers of general circulation;</li> <li>(c) any notice posted on the unit's website or on a Statewide website created for units to post notice regulation review;</li> <li>(d) any mailing by the adopting authority; and</li> <li>(e) any public hearing held.</li> </ul>	es of
Notice was published in the <i>Maryland Register</i> , on the DSD website, and on the following page the MIA website: Proposed Regulations, News Center, For Insurers, For Producers, and Consumers. In addition, subscribers to these web pages received an email message alerting ther the regulatory review notice. Every notice included an email link for people wishing to suffice comments. Comments were collected for sixty (60) days. No comments were received.	For   n to
<ul><li>(4) Provide summaries of:</li><li>(a) all comments received from stakeholders, affected units, or the public; and</li><li>(b) the adopting authority's responses to those comments.</li></ul>	
N/A, a 1/2	
(5) Describe any interunit conflict reviewed and the resolution or proposed resolution of that conflict	•
N/A.	
(6) Provide a summary of any relevant scientific data gathered.	
N/A.	
(7) Provide a summary of any relevant information gathered related to the regulations of other states federal government.	or the
No relevant information impacting COMAR 31.05.02 was found.	
(8) Provide a summary of any other relevant information gathered.	

C. Under COMAR 01.01.2003.20E(3), does the agency have any existing policy statements, guidelines, or standards being applied or enforced which should be promulgated as regulations, in accordance with the Administrative Procedure Act?  Yes  x No								
Has the agency promulgated all regulations required by recent legislation?								
Provide explanations of the above responses, as needed:								
There are no existing policy statements, guidelines, or standards pertaining to certificates of valuation for life insurance companies being applied or enforced which should be promulgated as regulations in accordance with the Administrative Procedure Act. There has been no recent legislation* pertaining to certificates of valuation for life insurance companies requiring amendments to COMAR 31.05.02.								
*Legislation amending Title 5, Subtitles 2 and 3 of the Insurance Article, was passed during the 2015 Legislative Session (See SENATE BILL 573 (Chapter 367) – Insurance-Standard Valuation Law and Reserve and Nonforfeiture Requirements). These changes require insurance companies, on or after the operative date of a valuation manual adopted by the National Association of Insurance Commissioners ("NAIC"), to value their reserves for life insurance policies, accident and health insurance contracts, and deposit-type contracts using principle-based reserving ("PBR") that is established by the valuation manual. The operative date of these changes is contingent on passage of similar legislation in other states, and is unknown at this time. Regulatory changes may be required in the future.  D. Actions Needed. (State Government Article, §10-135(a)(2)(ix) – (xi), Annotated Code of Maryland)								
(check all that apply)  x  no action								
amendment								
repeal								
repeal and adopt new regulations								
reorganization Summary:								
This chapter continues to be necessary for the public interest, and continues to be supported by statutory authority and judicial opinions. These regulations continue to be relevant and necessary for the proper reporting of financial information to the Commissioner. No changes are recommended at this time.								
Person performing review: Catherine Grason, Esq.								
Title: Director of Regulatory Affairs								

Chapter Codification: COMAR 31.05.04							
Chapter Name:  Valuation Standards for Individual Annuity and Pure Endowment Contracts							
Authority: Insurance Article, §2-109 and Title 5, Subtitle 3, Annotated Code of Maryland							
Date Originally Adopted or Last Amended: January 1, 2015							
Purpose: The purpose of this chapter is to approve the use of certain mortality tables adopted by the National Association of Insurance Commissioners after 1980 as a basis for determining the minimum standards of valuation for individual annuity and pure endowment contracts.							
Note that amendments to this chapter were proposed shortly after this work plan was filed; however, since the amendments did not become effective before 7/1/14 (the date the work plan was due), this Chapter was not exempt from Regulatory Review.							
A. Review Criteria. (State Government Article, §10-132(1)(i), Annotated Code of Maryland; COMAR 01.01.2003.20E)							
(1) Do the regulations continue to be necessary for the public interest?  Yes No							
(2) Do the regulations continue to be supported by statutory authority and judicial opinion? X Yes N							
(3) Are the regulations obsolete or otherwise appropriate for amendment or repeal?  Yes X No							
(4) Are the regulations effective in accomplishing their intended purpose? X Yes No  B. Outreach and Research. (State Government Article, §10-135(a)(2)(i)—(viii), Annotated Code of Maryland							
(1) List any stakeholders invited to review the regulations and provide a summary of their participation in and input into the review process.							
Insurers, producers, and consumers were alerted to the review via notices posted on the following pages of the Maryland Insurance Administration's (MIA) website: Proposed Regulations, News Center, For Insurers, For Producers, and For Consumers. In addition, subscribers to these web pages received an email message alerting them to the regulatory review notice. Notices included an invitation to comment, along with a contact name and information. Every notice included an email link for people wishing to submit comments. Comments were collected for sixty (60) days. No comments were received.							

(2)	List any other affected agencies that were invited to review the regulations and provide a summar	y of
	their participation in and input into the review process.	

- (3) Describe the process used to solicit public comment, including:
  - (a) any notice published in the Maryland Register;
  - (b) any notice published in newspapers of general circulation;
  - (c) any notice posted on the unit's website or on a Statewide website created for units to post notices of regulation review:
  - (d) any mailing by the adopting authority; and
  - (e) any public hearing held.

Notice was published in the *Maryland Register*, on the DSD website, and on the following pages of the MIA website: Proposed Regulations, News Center, For Insurers, For Producers, and For Consumers. In addition, subscribers to these web pages received an email message alerting them to the regulatory review notice. Every notice included an email link for people wishing to submit comments. Comments were collected for sixty (60) days. No comments were received.

- (4) Provide summaries of:
  - (a) all comments received from stakeholders, affected units, or the public; and
  - (b) the adopting authority's responses to those comments.

N/A.

(5) Describe any interunit conflict reviewed and the resolution or proposed resolution of that conflict.

N/A.

(6) Provide a summary of any relevant scientific data gathered.

N/A.

(7) Provide a summary of any relevant information gathered related to the regulations of other states or the federal government.

National Association of Insurance Commissioners (NAIC) Model 821 entitled "NAIC Model Rule for Recognizing a New Annuity Mortality Table for Use in Determining Reserve Liabilities for Annuities" was reviewed in 2014. COMAR 31.05.04 was updated effective 1/1/15 to establish that the Society of Actuaries Committee on Life Insurance Research's 2012 Individual Annuity Reserving Table shall be used for determining the minimum standard of valuation for individual annuity and pure endowment contracts issued on or after January 1, 2015.

(8) Provide a summary of any other relevant information gathered.

C. Under COMAR 01.01.2003.20E(3), does the agency have any existing policy statements, guidelines, or standards being applied or enforced which should be promulgated as regulations, in accordance with the Administrative Procedure Act?  Yes  x  No								
Has the agency promulgated all	regulations required by recent legislation?	x Yes No						
Provide explanations of the above responses, as needed:								
by the NAIC as a basis for de pure endowment contracts be accordance with the Administ mortality tables adopted by the for determining the minimum	There are no existing policy statements, guidelines, or standards pertaining to mortality tables adopted by the NAIC as a basis for determining the minimum standards of valuation for individual annuity and pure endowment contracts being applied or enforced which should be promulgated as regulations in accordance with the Administrative Procedure Act. There has been no recent legislation pertaining to mortality tables adopted by the National Association of Insurance Commissioners after 1980 as a basis for determining the minimum standards of valuation for individual annuity and pure endowment contracts requiring amendments to COMAR 31.05.04.							
D. Actions Needed. (State Govern (check all that apply)	nment Article, §10-135(a)(2)(ix) — (xi), Annot no action	ated Code of Maryland)						
	amendment							
adi	repeal							
	repeal and adopt new regulations							
- Summary:	reorganization							
authority and judicial opinions.	This chapter continues to be necessary for the public interest, and continues to be supported by statutory authority and judicial opinions. These regulations continue to be relevant and necessary, and consistent with national standards set forth by the NAIC. No changes are recommended at this time.							
<del> </del>								
	Person performing review:	Catherine Grason, Esq.						
	Title:	Director of Regulatory Affairs						

Chapter Codification:		COMAR 31.05.05					
Chapter Name:	* I VARIATION MARGINIUS TOLVITORE MITURIO ADDITERE ENGLIMINATED ADDITAGES						
Authority:	nority: Insurance Article, §2-109 and Title 5, Subtitle 3, Annotated Code of Maryland						
Date Origi	nally Adopte	d or Last Amended: May 24, 2004					
Purpose: The purpose of this chapter is to approve the use of new mortality tables adopted by the National Association of Insurance Commissioners after 1980 as a basis for determining the minimum standards of valuation of annuities and pure endowments purchased under group annuity and pure endowment contracts.							
<b>A. Reviev</b> 01.01.2003		State Government Article, §10-132(1)(i), Annotated Code of Maryland; COMAR					
(1) Do	the regulatio	ons continue to be necessary for the public interest?  X Yes No					
(2) Do	the regulation	ons continue to be supported by statutory authority and judicial opinion? XYes No					
. (3) Arc	e the regulation	ons obsolete or otherwise appropriate for amendment or repeal? Yes X No					
(4) Ar	e the regulati	ons effective in accomplishing their intended purpose?					
B. Outre	ach and Res	earch. (State Government Article, §10-135(a)(2)(i)–(viii), Annotated Code of Maryland)					
		olders invited to review the regulations and provide a summary of their participation in he review process.					
Insurers, producers, and consumers were alerted to the review via notices posted on the follopages of the Maryland Insurance Administration's (MIA) website: Proposed Regulations, Noteries, For Insurers, For Producers, and For Consumers. In addition, subscribers to these pages received an email message alerting them to the regulatory review notice. Notices include invitation to comment, along with a contact name and information. Every notice included an ellink for people wishing to submit comments. Comments were collected for sixty (60) days, comments were received.							

(2)	List any other affected agencies that were invited to review the regulations and provide a su	mmary of
	their participation in and input into the review process.	

- (3) Describe the process used to solicit public comment, including:
  - (a) any notice published in the Maryland Register;
  - (b) any notice published in newspapers of general circulation;
  - (c) any notice posted on the unit's website or on a Statewide website created for units to post notices of regulation review;
  - (d) any mailing by the adopting authority; and
  - (e) any public hearing held.

Notice was published in the *Maryland Register*, on the DSD website, and on the following pages of the MIA website: Proposed Regulations, News Center, For Insurers, For Producers, and For Consumers. In addition, subscribers to these web pages received an email message alerting them to the regulatory review notice. Every notice included an email link for people wishing to submit comments. Comments were collected for sixty (60) days. No comments were received.

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١	т,	LITOATOO	SULLILLIANIOS	OI.

- (a) all comments received from stakeholders, affected units, or the public; and
- (b) the adopting authority's responses to those comments.

N/A.

(5) Describe any interunit conflict reviewed and the resolution or proposed resolution of that conflict.

N/A.

(6) Provide a summary of any relevant scientific data gathered.

N/A.

(7) Provide a summary of any relevant information gathered related to the regulations of other states or the federal government.

National Association of Insurance Commissioners (NAIC) Model 821 entitled "NAIC Model Rule for Recognizing a New Annuity Mortality Table for Use in Determining Reserve Liabilities for Annuities" was reviewed. COMAR 31.05.05 is consistent with the NAIC Model.

(8) Provide a summary of any other relevant information gathered.

C. Under COMAR 01.01.2003.20E(3), does the agency have any existing policy statements, guidelines, or standards being applied or enforced which should be promulgated as regulations, in accordance with the Administrative Procedure Act?  Yes  No							
Has the agency promulgated all regulations required by recent legislation?    X Yes   No							
Provide explanations of the above responses, as needed:							
There are no existing policy statements, guidelines, or standards pertaining to new mortality tables adopted by the NAIC after 1980 as a basis for determining the minimum standards of valuation of annuities and pure endowments purchased under group annuity and pure endowment contracts being applied or enforced which should be promulgated as regulations in accordance with the Administrative Procedure Act. There has been no recent legislation pertaining to new mortality tables adopted by the NAIC after 1980 as a basis for determining the minimum standards of valuation of annuities and pure endowments purchased under group annuity and pure endowment contracts requiring amendments to COMAR 31.05.05.							
<ul> <li>D. Actions Needed. (State Government Article, §10-135(a)(2)(ix) – (xi), Annotated Code of Maryland) (check all that apply)</li> <li>X no action</li> </ul>							
amendment							
repeal							
repeal and adopt new regulations	<ul> <li>Appendix of the second s</li></ul>						
reorganization Summary:	e de la companya de l						
This chapter continues to be necessary for the public interest, and continues to be supported by statutory authority and judicial opinions. These regulations continue to be relevant and necessary, and are consistent with national standards set forth by the NAIC. No changes are recommended at this time.							
Person performing review:	Catherine Grason, Esq.						
Title:	Director of Regulatory Affairs						

Chapter Codification:		COMAR 31.05.06					
-		ments of Life Insurers and Property and Casualty Insurers in High Yield/High Obligations					
Authority: Insurance Article, §§2-109, 4-103(c), 5-502, 5-506, 5-507, 5-511, 5-605, 5-606, and 5-608, Annotated Code of Maryland							
Date Origi	nally Ado <u>r</u>	oted or Last Amended: September 26, 1994					
Purpose: The purpose of this chapter is to protect the interests of policy holders of life insurers and property and casualty insurers admitted to do business in Maryland by limiting the amount of high yield/high risk obligations in which an insurer may invest, so that the assets of the insurer will be reasonable in relation to the insurer's liabilities and adequate to its financial needs, permitting policyholders to rely with confidence on the insurer's ability to fulfill its contractual obligations.							
A. Review 01.01.200		. (State Government Article, §10-132(1)(i), Annotated Code of Maryland; COMAR					
(1) Do the regulations continue to be necessary for the public interest?  Yes No							
(2) Do	(2) Do the regulations continue to be supported by statutory authority and judicial opinion?  X Yes No						
(3) Ar	(3) Are the regulations obsolete or otherwise appropriate for amendment or repeal? X Yes No						
(4) Ar	e the regul	ations effective in accomplishing their intended purpose?  X Yes No					
B. Outre	B. Outreach and Research. (State Government Article, §10-135(a)(2)(i)-(viii), Annotated Code of Maryland)						
	(1) List any stakeholders invited to review the regulations and provide a summary of their participation in and input into the review process.						
I   C   I   i	pages of the Center, For pages receing the contraction to the contract	roducers, and consumers were alerted to the review via notices posted on the following the Maryland Insurance Administration's (MIA) website: Proposed Regulations, News or Insurers, For Producers, and For Consumers. In addition, subscribers to these web eved an email message alerting them to the regulatory review notice. Notices included an email to comment, along with a contact name and information. Every notice included an email cople wishing to submit comments. Comments were collected for sixty (60) days. No					

		agencies that value into the			the 1	regulations and provide a summary	of
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- (3) Describe the process used to solicit public comment, including:
  - (a) any notice published in the Maryland Register;
  - (b) any notice published in newspapers of general circulation;
  - (c) any notice posted on the unit's website or on a Statewide website created for units to post notices of regulation review;
  - (d) any mailing by the adopting authority; and
  - (e) any public hearing held.

Notice was published in the *Maryland Register*, on the DSD website, and on the following pages of the MIA website: Proposed Regulations, News Center, For Insurers, For Producers, and For Consumers. In addition, subscribers to these web pages received an email message alerting them to the regulatory review notice. Every notice included an email link for people wishing to submit comments. Comments were collected for sixty (60) days. No comments were received.

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(4)	Provide	summaries	OT
\ ' <i>'</i>	1101140	DOLLLILL	U.A.

- (a) all comments received from stakeholders, affected units, or the public; and
- (b) the adopting authority's responses to those comments.

N/A.

(5) Describe any interunit conflict reviewed and the resolution or proposed resolution of that conflict.

(6) Provide a summary of any relevant scientific data gathered.

N/A.

N/A.

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(7) Provide a summary of any relevant information gathered related to the regulations of other states or the federal government.

National Association of Insurance Commissioners (NAIC) Model 340 entitled "Investments in Medium and Lower Grade Obligations" was reviewed. COMAR 31.05.06 is consistent with the NAIC Model and includes provisions not in the NAIC Model under 31.05.06.04.

(8) Provide a summary of any other relevant information gathered.

C. Under COMAR 01.01.2003.20E(3), does the agency have any existing policy statements, guidelines, or standards being applied or enforced which should be promulgated as regulations, in accordance with the Administrative Procedure Act?  Yes  X No
Has the agency promulgated all regulations required by recent legislation?  x Yes No
Provide explanations of the above responses, as needed:
There are no existing policy statements, guidelines, or standards pertaining to the amount of high yield/high risk obligations in which an insurer may invest being applied or enforced which should be promulgated as regulations in accordance with the Administrative Procedure Act. There has been no recent legislation pertaining to the amount of high yield/high risk obligations in which an insurer may invest requiring amendments to COMAR 31.05.06.
D. Actions Needed. (State Government Article, §10-135(a)(2)(ix) – (xi), Annotated Code of Maryland) (check all that apply) no action
x amendment
repeal
repeal and adopt new regulations
reorganization Summary:
This chapter continues to be necessary for the public interest, and continues to be supported by statutory authority and judicial opinions. These regulations continue to be relevant and necessary to protect policyholders by limiting insurers' investment in high risk obligations, and are consistent with national standards set forth by the NAIC in Model 340.
<ul> <li>The MIA recommends the following technical changes to this chapter:</li> <li>.01: The purpose paragraph in COMAR 31.05.06.01 should be revised to simplify the language and ensure clarity.</li> <li>.02: COMAR 31.05.06.02 B(5) cites the definition of "person" in Insurance Article §1-101(bb). This cite should be changed to Insurance Article §1-101(dd).</li> </ul>
Person performing review: Catherine Grason, Esq.
Title: Director of Regulatory Affairs

Chapter C	Codification: COMAR 31.05.07	
Chapter Name:	Life and Health Reinsurance Agreements	
Authority	Insurance Article, §§1-101(jj), 2-109, 3-124, 3-125, 4-113, 4-114, 4-116, 5-103, 5-201(b)(2), 5-203, 5-901, 5-903—5-905, 14-102, 14-108—14-111, 14-124(b), and 14-126, and Title 5, Subtitle 3, Annotated Code of Maryland	
Date Orig	ginally Adopted or Last Amended: December 17, 2007	
Purpose:	The purpose of this chapter is to establish the circumstances in which life and health reinsurance arrangements are not proper and to set forth general regulatory requirements for life and health reinsurance agreements.	
<b>A. Revie</b> 01.01.200	ew Criteria. (State Government Article, §10-132(1)(i), Annotated Code of Maryland; COMAR 03.20E)	
(1) D	o the regulations continue to be necessary for the public interest?  Yes No	
(2) D	o the regulations continue to be supported by statutory authority and judicial opinion? XYes	Νc
(3) A	are the regulations obsolete or otherwise appropriate for amendment or repeal?	)
(4) A	are the regulations effective in accomplishing their intended purpose? X Yes No	
B. Outr	reach and Research. (State Government Article, §10-135(a)(2)(i)-(viii), Annotated Code of Marylan	ıd)
	List any stakeholders invited to review the regulations and provide a summary of their participation in and input into the review process.	1
	Insurers, producers, and consumers were alerted to the review via notices posted on the following pages of the Maryland Insurance Administration's (MIA) website: Proposed Regulations, News Center, For Insurers, For Producers, and For Consumers. In addition, subscribers to these web pages received an email message alerting them to the regulatory review notice. Notices included an invitation to comment, along with a contact name and information. Every notice included an email link for people wishing to submit comments. Comments were collected for sixty (60) days. No comments were received.	

	All State agencies were notified through publication in the <i>Maryland Register</i> and on the Secretary of State's Division of State Documents (DSD) website. No comments were received.
(	Describe the process used to solicit public comment, including:  a) any notice published in the Maryland Register;  b) any notice published in newspapers of general circulation;  c) any notice posted on the unit's website or on a Statewide website created for units to post notices of regulation review;  d) any mailing by the adopting authority; and  e) any public hearing held.
	Notice was published in the <i>Maryland Register</i> , on the DSD website, and on the following pages of the MIA website: Proposed Regulations, News Center, For Insurers, For Producers, and For Consumers. In addition, subscribers to these web pages received an email message alerting them to the regulatory review notice. Every notice included an email link for people wishing to submit comments. Comments were collected for sixty (60) days. No comments were received.
` (	Provide summaries of: a) all comments received from stakeholders, affected units, or the public; and b) the adopting authority's responses to those comments.
` (	a) all comments received from stakeholders, affected units, or the public; and b) the adopting authority's responses to those comments.  N/A.
(	a) all comments received from stakeholders, affected units, or the public; and b) the adopting authority's responses to those comments.
(	a) all comments received from stakeholders, affected units, or the public; and b) the adopting authority's responses to those comments.  N/A.
(5)	a) all comments received from stakeholders, affected units, or the public; and b) the adopting authority's responses to those comments.  N/A.  Describe any interunit conflict reviewed and the resolution or proposed resolution of that conflict.
(5)	a) all comments received from stakeholders, affected units, or the public; and b) the adopting authority's responses to those comments.  N/A.  Describe any interunit conflict reviewed and the resolution or proposed resolution of that conflict.  N/A.
(5) (6) (7)	a) all comments received from stakeholders, affected units, or the public; and b) the adopting authority's responses to those comments.  N/A.  Describe any interunit conflict reviewed and the resolution or proposed resolution of that conflict.  N/A.  Provide a summary of any relevant scientific data gathered.

C. Under COMAR 01.01.2003.20E(3) standards being applied or enforced what Administrative Procedure Act?	), does the agency have any existing policy statements, guidelines, or nich should be promulgated as regulations, in accordance with the Yes X No
Has the agency promulgated all reg	gulations required by recent legislation?    X Yes    No
Provide explanations of the above	responses, as needed:
reinsurance arrangements being accordance with the Administrat	ements, guidelines, or standards pertaining to life and health applied or enforced which should be promulgated as regulations in tive Procedure Act. There has been no recent legislation pertaining to gements requiring amendments to COMAR 31.05.07.
(check all that apply)	ent Article, §10-135(a)(2)(ix) – (xi), Annotated Code of Maryland) no action
8	amendment
. <b>1</b>	repeal
1	repeal and adopt new regulations
Summary:	reorganization
authority and judicial opinions. The general regulatory requirements for	sary for the public interest, and continues to be supported by statutory nese regulations continue to be relevant and necessary to set forth r life and health reinsurance agreements and are consistent with national 1791. No changes are recommended at this time.
	Person performing review: Catherine Grason, Esq.
	Title: Director of Regulatory Affairs

Chapter Coo	dification:	COMAR 31.05.08
Chapter Name:	Cre	edit for Reinsurance
Authority:	Insurance Marylanc	e Article, §§1-101(jj), 2-109, 2-205, 2-209, and 5-901—5-916, Annotated Code of
Date Origin	ally Adopte	d or Last Amended: August 18, 2014
Note that ame	endments to t ne effective b	his chapter were proposed shortly before this work plan was filed; however, since the amendments efore 7/1/14 (the date the work plan was due), this Chapter was not exempt from Regulatory Review.
Purpose:	allow a do	se of this chapter is to establish the circumstances in which the Commissioner must mestic authorized insurer credit as an asset or deduction from liability for e that the insurer obtains.
<b>A. Review</b> 01.01.2003		State Government Article, §10-132(1)(i), Annotated Code of Maryland; COMAR
(1) Do 1	the regulation	ons continue to be necessary for the public interest?    X  Yes  No
(2) Do 1	the regulatio	ons continue to be supported by statutory authority and judicial opinion? X Yes No
	17.7	ons obsolete or otherwise appropriate for amendment or repeal?  Yes X No ons effective in accomplishing their intended purpose?  X Yes No
B. Outrea	ch and Res	earch. (State Government Article, §10-135(a)(2)(i)-(viii), Annotated Code of Maryland)
		holders invited to review the regulations and provide a summary of their participation in the review process.
pa C pa in li:	ages of the enter, For I ages receive avitation to onk for peop	ducers, and consumers were alerted to the review via notices posted on the following Maryland Insurance Administration's (MIA) website: Proposed Regulations, News Insurers, For Producers, and For Consumers. In addition, subscribers to these web and an email message alerting them to the regulatory review notice. Notices included an examination comment, along with a contact name and information. Every notice included an email ale wishing to submit comments. Comments were collected for sixty (60) days. No ere received.

(2)	List any other affected agencies that were invited to review the regulations and provide a summary	of
	their participation in and input into the review process.	

- (3) Describe the process used to solicit public comment, including:
  - (a) any notice published in the Maryland Register;
  - (b) any notice published in newspapers of general circulation;
  - (c) any notice posted on the unit's website or on a Statewide website created for units to post notices of regulation review;
  - (d) any mailing by the adopting authority; and
  - (e) any public hearing held.

Notice was published in the *Maryland Register*, on the DSD website, and on the following pages of the MIA website: Proposed Regulations, News Center, For Insurers, For Producers, and For Consumers. In addition, subscribers to these web pages received an email message alerting them to the regulatory review notice. Every notice included an email link for people wishing to submit comments. Comments were collected for sixty (60) days. No comments were received.

- (4) Provide summaries of:
  - (a) all comments received from stakeholders, affected units, or the public; and
  - (b) the adopting authority's responses to those comments.

N/A.

(5) Describe any interunit conflict reviewed and the resolution or proposed resolution of that conflict.

N/A.

(6) Provide a summary of any relevant scientific data gathered.

N/A.

(7) Provide a summary of any relevant information gathered related to the regulations of other states or the federal government.

National Association of Insurance Commissioners (NAIC) Model 786 entitled "Credit for Reinsurance Model Regulation" was reviewed as part of the 2014 amendments to this chapter. COMAR 31.05.08 is substantially similar to the NAIC Model, which will be an accreditation standard in the future.

(8) Provide a summary of an	y other relevant information gathered.	
N/A.		
	20E(3), does the agency have any existing policy ced which should be promulgated as regulations, in Yes X No	
Has the agency promulgated	all regulations required by recent legislation?	x Yes No
Provide explanations of the a	above responses, as needed:	
being applied or enforce Administrative Procedur	licy statements, guidelines, or standards pertaining d which should be promulgated as regulations in a see Act. There has been no recent legislation pertainendments to COMAR 31.05.08.	accordance with the
D. Actions Needed. (State Government) (check all that apply)	vernment Article, §10-135(a)(2)(ix) – (xi), Annota	ated Code of Maryland)
A		
	amendment	
er d'	repeal	w <sup>3</sup> :
Roje	repeal and adopt new regulations	
Summary:	reorganization	
statutory authority and j and are consistent with 1	o be necessary for the public interest, and continuudicial opinions. These regulations continue to b national standards set forth by NAIC model 786.	e relevant and necessary,
recommended at this tin	ehensively reviewed and amended in 2014. No fine.	irther changes are
	Dans	Catherine Grason, Esq.
	Person performing review:	Camerine Grason, Esq.
	Title:	Director of Regulatory Affairs

Chapter Co	odification:	COMAR 31.05.09
Chapter Name:	Мо	rtgage Loans
Authority:	Insurance	e Article, §§2-109 and 5-511(g), Annotated Code of Maryland
Date Origi	nally Adopte	d or Last Amended: November 6, 1995
Purpose:	mortgage t	se of this chapter is to set forth specific information relating to a company's hat must be kept ready for convenient inspection by examiners from the Maryland Administration.
<b>A. Revie</b> v 01.01.200		State Government Article, §10-132(1)(i), Annotated Code of Maryland; COMAR
(1) Do	the regulatio	ns continue to be necessary for the public interest?    X Yes    No
(2) Do	the regulation	ons continue to be supported by statutory authority and judicial opinion? XYes N
(3) Ar	e the regulati	ons obsolete or otherwise appropriate for amendment or repeal? Yes X No
(4) Ar	e the regulati	ons effective in accomplishing their intended purpose?  x Yes No
B. Outre	ach and Res	earch. (State Government Article, §10-135(a)(2)(i)–(viii), Annotated Code of Maryland
		olders invited to review the regulations and provide a summary of their participation in he review process.
1 0 1 1	pages of the Center, For It bages received nvitation to c	ucers, and consumers were alerted to the review via notices posted on the following Maryland Insurance Administration's (MIA) website: Proposed Regulations, News nsurers, For Producers, and For Consumers. In addition, subscribers to these web d an email message alerting them to the regulatory review notice. Notices included an comment, along with a contact name and information. Every notice included an email le wishing to submit comments. Comments were collected for sixty (60) days. No re received.
		affected agencies that were invited to review the regulations and provide a summary of on in and input into the review process.
		ncies were notified through publication in the Maryland Register and on the Secretary rision of State Documents (DSD) website. No comments were received.

` '	Describe the process used to solicit public comment, including:  (a) any notice published in the Maryland Register;  (b) any notice published in newspapers of general circulation;
	(c) any notice posted on the unit's website or on a Statewide website created for units to post notices of
	regulation review; (d) any mailing by the adopting authority; and
	(e) any public hearing held.
	Notice was published in the <i>Maryland Register</i> , on the DSD website, and on the following pages of the MIA website: Proposed Regulations, News Center, For Insurers, For Producers, and For Consumers. In addition, subscribers to these web pages received an email message alerting them to the regulatory review notice. Every notice included an email link for people wishing to submit comments. Comments were collected for sixty (60) days. No comments were received.
.:(4)	Provide summaries of:  (a) all comments received from stakeholders, affected units, or the public; and (b) the adopting authority's responses to those comments.
	N/A.
(5)	Describe any interunit conflict reviewed and the resolution or proposed resolution of that conflict.
	N/A.
(6)	Provide a summary of any relevant scientific data gathered.
	N/A.
(7)	Provide a summary of any relevant information gathered related to the regulations of other states or the federal government.
	No relevant information impacting, COMAR 31.05.09 was found
(8)	Provide a summary of any other relevant information gathered.
	N/A.
standa	nder COMAR 01.01.2003.20E(3), does the agency have any existing policy statements, guidelines, or rds being applied or enforced which should be promulgated as regulations, in accordance with the nistrative Procedure Act?  Yes  X  No
На	as the agency promulgated all regulations required by recent legislation?  x Yes No

Provide explanations of the above responses, as needed:

There are no existing policy statements, guidelines, or standards pertaining to insurer mortgage loans being applied or enforced which should be promulgated as regulations in accordance with the Administrative Procedure Act. There has been no recent legislation pertaining to insurer mortgage loans requiring amendments to COMAR 31.05.09.

**D.** Actions Needed. (State Government Article, §10-135(a)(2)(ix) – (xi), Annotated Code of Maryland) (check all that apply)

x no action

amendment

repeal

repeal and adopt new regulations

reorganization

Summary:

This chapter continues to be necessary for the public interest, and continues to be supported by statutory authority and judicial opinions. These regulations continue to be relevant and necessary to require the proper documentation of mortgage loans held by insurers. No changes are recommended at this time.

Person performing review:

Catherine Grason, Esq.

Title:

Director of Regulatory Affairs

Chapter Co	odification: COMAR 31.05.10
Chapter Name:	Financial Guaranty Insurance
Authority:	Insurance Article, §5-1005, Annotated Code of Maryland
Date Origin	nally Adopted or Last Amended: March 9, 2006
Purpose:	The purpose of this chapter is to set forth the regulatory requirements for financial guaranty insurance including reserves, permissible risk limits, and collateral.
<b>A. Review</b> 01.01.2003	v Criteria. (State Government Article, §10-132(1)(i), Annotated Code of Maryland; COMAR 3.20E)
(1) Do	the regulations continue to be necessary for the public interest?    X  Yes  No
(2) Do	the regulations continue to be supported by statutory authority and judicial opinion?  x Yes 1
(3) Are	e the regulations obsolete or otherwise appropriate for amendment or repeal? Yes X No
(4) Are	e the regulations effective in accomplishing their intended purpose?  Yes No
B. Outrea	ach and Research. (State Government Article, §10-135(a)(2)(i)-(viii), Annotated Code of Marylan
	st any stakeholders invited to review the regulations and provide a summary of their participation in d input into the review process.
p C p in li	nsurers, producers, and consumers were alerted to the review via notices posted on the following pages of the Maryland Insurance Administration's (MIA) website: Proposed Regulations, News Center, For Insurers, For Producers, and For Consumers. In addition, subscribers to these web pages received an email message alerting them to the regulatory review notice. Notices included an invitation to comment, along with a contact name and information. Every notice included an email ink for people wishing to submit comments. Comments were collected for sixty (60) days. No comments were received.
	ist any other affected agencies that were invited to review the regulations and provide a summary of eir participation in and input into the review process.
A	All State agencies were notified through publication in the <i>Maryland Register</i> and on the Secretary of State's Division of State Documents (DSD) website. No comments were received.

(	escribe the process used to solicit public comment, including:  (a) any notice published in the Maryland Register;  (b) any notice published in newspapers of general circulation;  (c) any notice posted on the unit's website or on a Statewide website created for units to post notices of regulation review;
	(d) any mailing by the adopting authority; and (e) any public hearing held.
	Notice was published in the <i>Maryland Register</i> , on the DSD website, and on the following pages of the MIA website: Proposed Regulations, News Center, For Insurers, For Producers, and For Consumers. In addition, subscribers to these web pages received an email message alerting them to the regulatory review notice. Every notice included an email link for people wishing to submit comments. Comments were collected for sixty (60) days. No comments were received.
ť	Provide summaries of: (a) all comments received from stakeholders, affected units, or the public; and (b) the adopting authority's responses to those comments.
	N/A.
(5)	Describe any interunit conflict reviewed and the resolution or proposed resolution of that conflict.
	N/A.
(6)	Provide a summary of any relevant scientific data gathered.
	N/A.
(7)	Provide a summary of any relevant information gathered related to the regulations of other states or the federal government.
	The National Association of Insurance Commissioners' (NAIC) Model Guidelines 1626 entitled "Financial Guaranty Insurance" were reviewed. COMAR 31.05.10 is consistent with the NAIC Model Guidelines.
(8)	Provide a summary of any other relevant information gathered.
	N/A.
standa	der COMAR 01.01.2003.20E(3), does the agency have any existing policy statements, guidelines, or rds being applied or enforced which should be promulgated as regulations, in accordance with the histrative Procedure Act?  Yes  X  No
	s the agency promulgated all regulations required by recent legislation?  x Yes Novide explanations of the above responses, as needed:

There are no existing policy statements, guidelines, or standards pertaining to financial guaranty insurance being applied or enforced which should be promulgated as regulations in accordance with the Administrative Procedure Act. There has been no recent legislation pertaining to financial guarantee insurance requiring amendments to COMAR 31.05.10.

**D.** Actions Needed. (State Government Article, §10-135(a)(2)(ix) – (xi), Annotated Code of Maryland) (check all that apply)

x no action

amendment

repeal

repeal and adopt new regulations

reorganization

#### Summary:

This chapter continues to be necessary for the public interest, and continues to be supported by statutory authority and judicial opinions. These regulations continue to be relevant and necessary for defining the regulatory requirements for financial guaranty insurance and are consistent with national standards set forth by NAIC model guidelines 1626. No changes are recommended at this time.

Person performing review:

Catherine Grason, Esq.

Title:

Director of Regulatory Affairs