

SENATE BILL 226

C4, P3

1lr0039

(PRE-FILED)

By: **Chair, Finance Committee (By Request – Departmental – Maryland Insurance Administration)**

Requested: September 29, 2020

Introduced and read first time: January 13, 2021

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Insurance Administration – Delivery of Notices and Other**
3 **Communications by Electronic Means**

4 FOR the purpose of authorizing the Maryland Insurance Commissioner to send certain
5 notices and communications by electronic means under certain circumstances;
6 authorizing, under certain circumstances, a person to send to the Commissioner
7 certain notices and communications by electronic means approved by the
8 Commissioner; providing, subject to certain provisions of law, that certain notices
9 and communications are to be presumed to have been received in the ordinary
10 course; making conforming and stylistic changes; and generally relating to the
11 Maryland Insurance Administration and the delivery of notices and other
12 communications.

13 BY adding to
14 Article – Insurance
15 Section 2–116
16 Annotated Code of Maryland
17 (2017 Replacement Volume and 2020 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Insurance
20 Section 2–204(c), 4–112(b) and (e)(1), 6–109(b)(1) and (c)(2) and (3), 6–113, 8–423(b),
21 8–509(b), 9–225(e)(1) and (2), 10–121(m), 10–213, 13–116(b)(2), and
22 27–704(a)(1)
23 Annotated Code of Maryland
24 (2017 Replacement Volume and 2020 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
26 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Insurance**2–116.**

(A) THE COMMISSIONER MAY SEND A NOTICE OR OTHER COMMUNICATION BY ELECTRONIC MEANS IF:

(1) THE COMMISSIONER IS REQUIRED TO DELIVER, GIVE, MAIL, SERVE, OR OTHERWISE PROVIDE THE NOTICE OR OTHER COMMUNICATION IN WRITING;

(2) THE RECIPIENT HAS PROVIDED AN E-MAIL ADDRESS TO THE COMMISSIONER TO RECEIVE NOTICES OR OTHER COMMUNICATIONS;

(3) THE NOTICE OR OTHER COMMUNICATION IS SENT TO THE E-MAIL ADDRESS PROVIDED BY THE RECIPIENT; AND

(4) THE COMMISSIONER MAINTAINS PROOF THAT THE NOTICE WAS SENT TO THE RECIPIENT AT THE RECIPIENT'S E-MAIL ADDRESS.

(B) IF A PERSON IS REQUIRED TO SEND THE COMMISSIONER A NOTICE OR OTHER COMMUNICATION, THE PERSON MAY SEND THE NOTICE OR OTHER COMMUNICATION BY ELECTRONIC MEANS APPROVED BY THE COMMISSIONER.

(C) SUBJECT TO THE PROVISIONS OF THE MARYLAND UNIFORM ELECTRONIC TRANSACTIONS ACT, A NOTICE OR OTHER COMMUNICATION SENT IN ACCORDANCE WITH THIS SECTION SHALL BE PRESUMED TO HAVE BEEN RECEIVED IN THE ORDINARY COURSE.

2–204.

(c) An order or notice may be served on a person by:

(1) mailing it to the person at the last known principal place of business of the person, as listed in the records of the Commissioner; [or]

(2) ELECTRONIC MEANS IN ACCORDANCE WITH § 2–116 OF THIS TITLE; OR

[(2)] (3) otherwise delivering it to the person.

4–112.

(b) At least 2 months before a certificate of authority expires, the Commissioner shall mail to the holder of the certificate of authority, at the last known address of the holder, **OR BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE:**

(1) a renewal application form; and

(2) a notice that states:

(i) the date on which the current certificate of authority expires;

(ii) the date by which the Commissioner must receive the renewal application for the renewal to be issued and mailed before the certificate of authority expires; and

(iii) the amount of the renewal fee.

(e) (1) An insurer shall mail, **OR SEND BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE**, a renewal application and the applicable renewal fee on or before June 30. An insurer that fails to renew its certificate of authority on or before June 30 may forfeit:

(i) \$500 for each day from July 1 through July 10;

(ii) \$1,000 for each day from July 11 through July 31; and

(iii) \$5,000 for each day after July 31.

6-109.

(b) (1) If the amount of tax computed by the Commissioner is greater than the amount shown on the report, the Commissioner shall:

(i) assess the excess amount; and

(ii) mail, **OR SEND BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE**, notice of the assessment to the person that filed the report.

(c) (2) The Commissioner shall mail, **OR SEND BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE**, notice of the assessment to the person at:

(i) its mailing **OR E-MAIL** address, if it has a mailing **OR E-MAIL** address on file with the Commissioner; or

(ii) any other address of the person that appears on the records of the Commissioner, if there is no mailing **OR E-MAIL** address on file with the Commissioner.

(3) If the person does not file the report within 15 days after the notice of assessment is mailed **OR SENT ELECTRONICALLY**:

(i) the assessment is final; and

(ii) the amount of tax due on the assessment, including penalties and interest, shall be collected as other taxes are collected.

6-113.

A declaration or report that must be filed under this subtitle complies with the filing requirement if the declaration or report is:

(1) mailed and postmarked by the United States Postal Service on or before the filing date; [or]

(2) delivered on or before the filing date to a private delivery service recognized by the Commissioner, if the delivery is evidenced by a receipt; **OR**

(3) SENT BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE.

8-423.

(b) At least 1 month before a certificate of authority expires, the Commissioner shall mail to the holder of the certificate of authority, at the last known address of the holder, **OR SEND BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE**:

(1) a renewal application form; and

(2) a notice that states:

(i) the date on which the current certificate of authority expires;

(ii) the date by which the Commissioner must receive the renewal application for the renewal to be issued and mailed before the certificate of authority expires; and

(iii) the amount of the renewal fee.

8-509.

(b) At least 1 month before a license expires, the Commissioner shall mail to the licensee, at the last known address of the licensee, **OR SEND BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE:**

(1) a renewal application form; and

(2) a notice that states:

(i) the date by which the Commissioner must receive the renewal application for the renewal to be issued and mailed before the license expires; and

(ii) the amount of the renewal fee.

9-225.

(e) (1) The Commissioner shall mail, **OR SEND BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE**, to each member or subscriber at the last address of record with the insurer a notice that:

(i) states the amount of the assessment to be paid by the member or subscriber;

(ii) specifies when the assessment should be paid; and

(iii) requires payment not less than 20 days after the Commissioner mails the notice.

(2) In a proceeding to collect an assessment, it is not a defense that a member or subscriber failed to receive the [mailed] notice or failed to receive the notice within the time specified in the notice for payment of the assessment.

10-121.

(m) (1) A title insurance producer shall notify the Commissioner, and any insurer with whom the title insurance producer holds an appointment, if an individual licensed under this subtitle leaves the employment of or ends an association with the title insurance producer.

(2) The title insurance producer required to provide notice under this subsection shall notify the Commissioner within 5 working days after the day the individual leaves employment or ends the association.

(3) The notice required under this subsection shall be:

(I) in writing; and

(II) SENT by certified mail OR BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE.

10-213.

If an application for a license is denied or a license is suspended or revoked, the Commissioner immediately shall give notice to the applicant or licensee by:

(1) registered mail addressed to the applicant's or licensee's last address of record with the Commissioner; OR

(2) ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE.

13-116.

(b) (2) The security required under paragraph (1)(v) of this subsection may consist of:

(i) cash;

(ii) an irrevocable letter of credit issued by a bank domiciled in the State that may be terminated only after 30 days' written notice SENT by certified mail OR ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE to the Commissioner;

(iii) obligations, valued at the lower of market value or par value, that are general obligations of, or obligations guaranteed by, the federal government, the State, or a political subdivision of the State; or

(iv) any other type of security that would be acceptable to the Commissioner if posted by a domestic insurer or foreign insurer.

27-704.

(a) (1) If the Commissioner has reason to believe that an unauthorized foreign insurer or unauthorized alien insurer is engaging in unlawful advertising in violation of § 27-703 of this subtitle, the Commissioner shall give notice of the violation by certified mail, OR BY ELECTRONIC MEANS IN ACCORDANCE WITH § 2-116 OF THIS ARTICLE, to the insurer and the insurance supervisory official of the domiciliary state of the insurer.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2021.