

## **MIA Bulletin 12-15 - Potential new Maryland regulations involving property claims after hurricanes (Published August 9, 2012)**

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The Maryland Insurance Administration (“MIA”) is currently in the process of drafting new regulations for all property and casualty insurers writing homeowners insurance in Maryland and the Joint Insurance Administration (“JIA”) regarding the application of a percentage deductible in the case of a hurricane or other storm.

### I. The Proposed Regulation

Primarily the proposed regulations:

- Define homeowners insurance; and
- Establish when an insurer can apply a percentage deductible after hurricane conditions; and
- Set out additional minimum requirements for the annual statements that must be provided to insureds.

The MIA is soliciting feedback of the proposed draft prior to submittal to the Joint Committee on Administrative Executive and Legislative Review (“AELR”) for review and publication in the Maryland Register.

### II. The Process

The regulatory process includes multiple comment periods. These proposed new regulations are in the early stage of comments. They will be open for further comments once published in the Maryland Register, an official State publication published every other week, which is the temporary supplement to the Code of Maryland Regulations (“COMAR”).

### III. Choices for How to Respond

Insurer’s and Underwriters seeking to better understand this proposed regulation should look closely at the definitions and what are the potential new obligations of an insurer. Based on a comprehensive evaluation, insurers have an opportunity to respond to the MIA on or before **September 10, 2012**.

Even if filing comments is not necessary, it may be worth reviewing how other affected parties have commented on these proposed regulatory changes.

### IV. An Overall Summary of the Maryland Regulations Process

An agency wishing to adopt, amend, or repeal regulations must first publish in the Maryland Register a notice of proposed action, a statement of purpose, a comparison to federal standards, an estimate of economic impact, an economic impact on small businesses, a notice giving the public an opportunity to comment on the proposal, and the text of the proposed regulations. The opportunity for public comment must be held open for at least 30 days after the proposal is published in the Maryland Register.

Following publication of the proposal in the Maryland Register, 45 days must pass before the agency may take final action on the proposal. When final action is taken, the agency must publish a notice in the Maryland Register. Final action takes effect 10 days after the notice is published, unless the agency specifies a later date. An agency may make changes in the text of a proposal. If the changes are not substantive, these changes are included in the notice of final action and published in the

Maryland Register. If the changes are substantive, the agency must repropose the regulations, showing the changes that were made to the originally proposed text.

Proposed action on regulations may be withdrawn by the proposing agency any time before final action is taken. When an agency proposes action on regulations, but does not take final action within 1 year, the proposal is automatically withdrawn by operation of law, and a notice of withdrawal is published in the Maryland Register.

*For more information on this bulletin, how to provide the MIA with comments, file for copies of other party's comments or how it will affect your policy claims, please contact Craig D. Roswell, Esq. at 410-783-6341 or [cdroswell@nilesbarton.com](mailto:cdroswell@nilesbarton.com).*