

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 185

(Chair, Finance Committee)(By Request - Departmental -
Maryland Insurance Administration)

Finance

Health and Government Operations

Maryland Insurance Administration - Virtual Hearings

This departmental bill authorizes the Insurance Commissioner to direct that a Maryland Insurance Administration (MIA) hearing be held virtually. A hearing must be considered open to the public if a member of the public can observe the hearing virtually through an electronic media platform. The Commissioner may not require a party to participate virtually in a hearing if the party demonstrates that it is unable to exercise specific rights related to the hearing by appearing virtually. The Commissioner must make available to the parties to a virtual hearing a space within MIA with access to the equipment necessary to allow the parties to participate in the virtual hearing. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: MIA likely experiences administrative efficiencies through hearing-related staff time and cost savings; however, any such savings are not likely to materially affect MIA's finances. Revenues are not affected.

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: MIA has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: Various persons under the purview of MIA, including insurance entities and professionals directly regulated by MIA, and their customers, may be entitled to a

hearing when MIA makes a decision that affects them. Generally, all hearings must be open to the public, unless otherwise specified (for example, hearings related to the formulas used by insurers to calculate rates and premiums are not required to be open to the public).

The Commissioner must allow any party to a hearing to (1) appear in person; (2) be represented by counsel or, in the case of an insurer, a designee of the insurer, as specified; (3) be present while evidence is given; (4) have a reasonable opportunity to inspect all documentary evidence and to examine witnesses; and (5) present evidence.

Background: During the COVID-19 State of Emergency, MIA was unable to hold in-person public hearings and received advice from the Office of the Attorney General that its hearings could be conducted virtually if all parties agreed to do so.

MIA found virtual hearings to be as effective as in-person hearings and more practical and cost effective for many insurers, customers, and MIA itself, since MIA only has one room to conduct hearings. The bill, therefore, ensures that MIA can continue to conduct virtual hearings while still allowing in-person hearings to take place if necessary and/or preferred by hearing participants.

MIA currently allows participants to use MIA space and equipment to participate in virtual hearings when necessary and requested (usually when one of the parties does not have access to a computer).

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - January 11, 2022
fnu2/jc Third Reader - March 16, 2022
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Insurance Administration – Virtual Hearings

BILL NUMBER: SB185

PREPARED BY: Maryland Insurance Administration

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

There is no economic impact on small businesses associated with this proposal.