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**TESTIMONY OF
THE
MARYLAND INSURANCE ADMINISTRATION
BEFORE THE
SENATE FINANCE COMMITTEE**

JANUARY 23, 2020

**SENATE BILL 96 – INSURANCE - THIRD PARTY ADMINISTRATORS - TERM AND
REINSTATEMENT OF REGISTRATION**

POSITION: SUPPORT WITH AMENDMENTS

Thank you for the opportunity to provide written comments regarding Senate Bill 96. Senate Bill 96 amends Title 8 Subtitle 3 of the Insurance Article to change the registration expiration for Third Party Administrator's (TPA) from June 30th of odd number years to two years from the date of issue. This change is similar to the current Producer Licensing renewal requirements under §10-116 of the Insurance Article. Senate Bill 96 also changes the reinstatement requirements for expired registrations. Specifically, the reinstatement requirements grant a TPA up to one year to reinstate after the expiration of their registration. The other change removes the tiered fee system and replaces it with a flat fee of \$100.

Currently, TPAs are the only license or registration that expires on June 30 of odd number years. This results in a flooding of renewals every other year for the Maryland Insurance Administration (MIA). By changing TPA registrations to two years from date of issuance, registration renewals will be staggered, therefore easing the burden on the MIA's licensing unit while also simplifying the process for those TPA's who are seeking registration or renewal. As a result of the new expiration dates, a change in the reinstatement requirements for TPA registrations is necessary due to the fact that the reinstatement timeline and fee schedule is currently based on the June 30 expiration date. The MIA has included one technical amendment to make the statutory changes consistent for when an application shall be considered timely postmarked.

The Maryland Insurance Administration supports Senate Bill 96 with the amendment and urges the Committee to give Senate Bill 96 a favorable report.

BY: Maryland Insurance Administration

AMENDMENTS TO SENATE BILL 96

(First Reading File Bill)

AMENDMENT NO. 1

On page 2, in Line 7, strike “June 30 of the year of renewal” and insert “**THE DATE THE REGISTRATION EXPIRES**”.

Rationale: This change makes consistent when a third party administrator may renew their application in a timely manner to the other changes being made throughout the section.