

HOUSE BILL 277

C4, J5

(PRE-FILED)

6lr0042
CF SB 139

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

Requested: September 25, 2025

Introduced and read first time: January 14, 2026

Assigned to: Health

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Third Party Administrators – Enforcement**

3 FOR the purpose of altering the grounds on which the Maryland Insurance Commissioner
4 may deny an applicant for registration as or refuse to renew, suspend, or revoke the
5 registration of a third party administrator; altering the violations for which the
6 Commissioner may impose civil penalties against a third party administrator; and
7 generally relating to third party administrators.

8 BY repealing and reenacting, with amendments,
9 Article – Insurance
10 Section 8–309(a) and 8–320(c)
11 Annotated Code of Maryland
12 (2017 Replacement Volume and 2025 Supplement)

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

15 **Article – Insurance**

16 8–309.

17 (a) Subject to the hearing provisions of Title 2 of this article, the Commissioner
18 may deny a registration to an applicant or refuse to renew, suspend, or revoke the
19 registration of a registrant if the applicant or registrant:

20 (1) makes a material misstatement in an application for registration;

21 (2) fraudulently or deceptively obtains or attempts to obtain a registration
22 for the applicant or registrant or for another;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(3) has been convicted of a felony or of a misdemeanor involving moral turpitude;

(4) in connection with the administration of a plan or with activities on behalf of a life insurer, commits fraud or engages in illegal or dishonest activities; [or]

(5) [violates any provision of this subtitle or a regulation adopted under it] **HAS VIOLATED THIS ARTICLE OR ANOTHER LAW OF THE STATE THAT RELATES TO INSURANCE; OR**

(6) KNOWINGLY FAILS TO COMPLY WITH A REGULATION ADOPTED BY OR AN ORDER OF THE COMMISSIONER.

8–320.

(c) (1) In addition to any other enforcement action taken by the Commissioner under this section, the Commissioner may impose a civil penalty of not more than \$10,000 for each violation of this [subtitle] **ARTICLE COMMITTED BY AN ADMINISTRATOR.**

(2) Notwithstanding paragraph (1) of this subsection, the Commissioner may impose a civil penalty of not more than \$1,000 per day for each day that a person is in violation of § 8–303(a) of this subtitle.

(3) In determining the amount of the civil penalty imposed under this subsection, the Commissioner shall consider:

(i) the seriousness of the violation;

(ii) the good faith of the violator;

(iii) the violator's history of previous violations;

(iv) the deleterious effect of the violation on the plan and its participants and beneficiaries;

(v) the assets of the violator; and

(vi) any other factors that relate to the determination of a financial penalty.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2026.