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MESSAGE FROM COMMISSIONER TYLER

The MIA Serves Citizens in the Tough Economy

To my fellow Maryland consumers,

In no other time in recent history has financial regulation been quite as important as it is right now. The Maryland Insurance Administration (MIA) has been serving Maryland citizens and regulating the insurance market in Maryland for more than 125 years. Our focus is consumer protection and we accomplish that through a variety of regulatory tools, which include monitoring the financial solvency of insurance companies operating in Maryland; reviewing insurance company requests for premium rate increases to guarantee adequacy; and investigating consumer complaints to determine whether the licensees have complied with the laws and regulations. We also regularly share information with other state insurance regulators through the National Association of Insurance Commissioners. This information sharing arrangement provides us with valuable knowledge of issues impacting all insurance companies licensed to do business with Maryland residents.

The MIA's dedication to consumers has not wavered. This agency continues to produce and distribute a host of consumer materials on all lines of insurance from auto and homeowners insurance to life and health insurance; as well as title, annuities and others. These guides are designed to help consumers become as educated as possible about the insurance policies they purchase and the types of coverage provided by those policies. The MIA also produces rate comparison guides in certain lines of insurance to help consumers compare the prices of insurance products offered by various insurance companies doing business in Maryland. In this economy, it can pay to be educated and shop for the insurance products that offer the best protection for your family and possessions. Trained investigators are on staff to answer insurance questions and make certain that insurance companies and agents comply with Maryland's insurance laws.

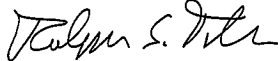
The MIA routinely conducts financial examinations of insurers domiciled in Maryland and monitors the financial condition of all insurers operating in Maryland. After all, the ability to pay all valid claims when presented is an insurance company's primary duty to its policyholders, and one of the MIA's functions is to make sure the companies are financially able to fulfill their contractual obligations. As an added regulatory measure in this volatile financial market, the agency's financial surveillance staff is proactively

monitoring insurance companies' exposure to investment and other losses brought about by the current economic conditions. By doing so, the MIA hopes to become aware of potential financial problems and work to address them at the earliest possible opportunity.

In those rare instances when insurers are unable to pay claims, Maryland law mandates the existence of two independent guaranty corporations – the Life and Health Insurance Guaranty Corporation and the Property and Casualty Insurance Guaranty Corporation. These corporations provide another level of protection for consumers. For example, in the event of an insolvent life insurance company, the remaining insurance companies in the market would pay money into the Life and Health Insurance Guaranty Corporation to be used to pay the valid claims of the insolvent insurance company up to the limits established by law. Those statutory limits are not necessarily the policy limits. The same would occur, for example, for an insolvent homeowners' insurance company with the Property and Casualty Insurance Guaranty Corporation. To ensure the security, adequacy and viability of Maryland's guaranty corporations, the MIA is also recommending a review of the corporations' standards and the maximum recovery limits.

The MIA endeavors to keep Maryland's insurance market stable, its consumers protected and better informed. Let us know what more we can do to help you.

Very truly yours,



Ralph S. Tyler
Maryland Insurance Commissioner