
By: The Speaker (Department of Legislative Reference - Code Revision)

Introduced and read first time: February 17, 1997

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 18, 1997

CHAPTER ____

1 AN ACT concerning

2 Insurance Article - Code Revision - Cross-References and Corrections

3 FOR the purpose of correcting throughout the Annotated Code cross-references that will
4 be rendered obsolete by the Insurance Article; providing for correction of
5 cross-references generally; renumbering a certain section of the Annotated Code;
6 correcting certain errors and omissions in the Insurance Article, in certain articles
7 of the Annotated Code, and in certain uncodified law; validating certain corrections
8 made by the publisher of the Annotated Code; making certain technical corrections
9 to certain provisions of the Insurance Article; revising and transferring certain
10 provisions of law to the Session Laws; repealing certain obsolete provisions of law;
11 adding certain provisions that were inadvertently omitted from the Insurance
12 Article; conforming terminology; making stylistic changes; providing for the effect of
13 certain provisions of this Act; providing for the effective dates of this Act; and
14 generally relating to the Insurance Article.

15 BY repealing and reenacting, with amendments,
16 Article - Insurance
17 Section 2-104(f)(2)
18 Annotated Code of Maryland
19 (1995 Volume and 1996 Supplement)
20 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
21 amended by Chapter 352 of the Acts of the General Assembly of 1995)

22 BY repealing and reenacting, with amendments,
23 Article - Insurance
24 Section 2-112(a)(15)
25 Annotated Code of Maryland

2

1 (1995 Volume and 1996 Supplement)
 2 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
 3 amended by Chapters 60, 189, and 271, Section 4 of the Acts of the General
 4 Assembly of 1996)

5 BY repealing and reenacting, with amendments,

6 Article - Insurance
 7 Section 2-114(c)(1)
 8 Annotated Code of Maryland
 9 (1995 Volume and 1996 Supplement)
 10 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
 11 amended by Chapter 60 of the Acts of the General Assembly of 1996)

12 BY repealing and reenacting, with amendments,

13 Article - Insurance
 14 Section 2-202(b)(5), 3-306(a)(3) and (4) and (c)(1), 3-326(c), 4-103(b)(5),
 15 5-304(b) and (c), 5-701(a)(5), 5-703(5), 5-706(b), 7-803(a), 8-209(a)(3),
 16 8-304(a)(4), 8-308(b)(4), 8-403(b)(1), 8-434(c)(2) and (3), 8-518(a)(4), and
 17 10-118(b)(1)
 18 Annotated Code of Maryland
 19 (1995 Volume and 1996 Supplement)
 20 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

21 BY repealing and reenacting, with amendments,

22 Article - Insurance
 23 Section 2-209(h)(2)
 24 Annotated Code of Maryland
 25 (1995 Volume and 1996 Supplement)
 26 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
 27 amended by Chapter 56 of the Acts of the General Assembly of 1996)

28 BY repealing and reenacting, with amendments,

29 Article - Insurance
 30 Section 9-215(d)(1), 9-225(d)(2), 9-226(a)(1), 9-230(d), 9-231(g), and
 31 9-409(d)(4)(ii)
 32 Annotated Code of Maryland
 33 (1995 Volume and 1996 Supplement)
 34 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

35 BY repealing and reenacting, with amendments,

36 Article - Insurance
 37 Section 13-109(b)(3), 16-105(b), 16-215(b)(1)(i)4., 16-313, 16-503(e)(2),
 38 16-509(c), 16-510, 17-205(a), 19-505(a)(1)(i), 19-509(f)(2), 20-202(b)(3),
 39 20-501(b) and (c), 20-504(a)(2) and (3), 20-507(b)(1) and (2), (c)(2), and (d),
 40 20-516(c), 20-518(b), 20-601(a)(2), 24-206(1)(ii), 25-103(d), 25-308(c)(1),

3

1 25-405(d)(10), 25-406(2), and 26-205(b)
2 Annotated Code of Maryland
3 (1996 Volume)
4 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

5 BY repealing and reenacting, with amendments,

6 Article - Insurance
7 Section 10-121(j)(5)
8 Annotated Code of Maryland
9 (1995 Volume and 1996 Supplement)
10 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
11 amended by Chapter 635 of the Acts of the General Assembly of 1995, as
12 amended by Chapter 206 of the Acts of the General Assembly of 1996)

13 BY repealing and reenacting, with amendments,

14 Article - Insurance
15 Section 2-112(a)(17)
16 Annotated Code of Maryland
17 (1995 Volume and 1996 Supplement)
18 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
19 amended by Chapter 271, Section 7 of the Acts of the General Assembly of
20 1996)

21 BY renumbering

22 Article 1 - Rules of Interpretation
23 Section 25(o) through (w), respectively
24 to be Section 25(p) through (x), respectively
25 Annotated Code of Maryland
26 (1996 Replacement Volume)

27 BY adding to

28 Article 1 - Rules of Interpretation
29 Section 25(o)
30 Annotated Code of Maryland
31 (1996 Replacement Volume)

32 BY repealing and reenacting, with amendments,

33 Article 25 - County Commissioners
34 Section 3(g-5)
35 Annotated Code of Maryland
36 (1996 Replacement Volume)

37 BY repealing and reenacting, with amendments,

38 Article 27 - Crimes and Punishments
39 Section 616 1/2(f)(1)

- 4
- 1 Annotated Code of Maryland
2 (1996 Replacement Volume)
- 3 BY repealing and reenacting, with amendments,
4 Article 70B - Office on Aging
5 Section 20(b) and 23
6 Annotated Code of Maryland
7 (1995 Replacement Volume and 1996 Supplement)
- 8 BY repealing and reenacting, with amendments,
9 Article 83B - Department of Housing and Community Development
10 Section 11-104(a)
11 Annotated Code of Maryland
12 (1995 Replacement Volume and 1996 Supplement)
- 13 BY repealing and reenacting, with amendments,
14 Article 95 - Treasurer
15 Section 22G(j)
16 Annotated Code of Maryland
17 (1995 Replacement Volume and 1996 Supplement)
- 18 BY repealing and reenacting, with amendments,
19 Article - Commercial Law
20 Section 12-123(a), 12-312(e)(2), 12-410(e)(2), 12-909.1(a), 12-1007.1(a),
21 14-2601(c)(2)(ii)1., and 17-101(j)
22 Annotated Code of Maryland
23 (1990 Replacement Volume and 1996 Supplement)
- 24 BY repealing and reenacting, with amendments,
25 Article - Corporations and Associations
26 Section 7-201(1)
27 Annotated Code of Maryland
28 (1993 Replacement Volume and 1996 Supplement)
- 29 BY repealing and reenacting, with amendments,
30 Article - Courts and Judicial Proceedings
31 Section 3-2A-08(a), 4-301(b)(9), 5-334, 5-335, 5-336, 5-337(a), 10-104(a)(2) and
32 (3), and 10-402(c)(2)
33 Annotated Code of Maryland
34 (1995 Replacement Volume and 1996 Supplement)
- 35 BY repealing and reenacting, with amendments,
36 Article - Education
37 Section 4-105(c)(1)(ii)
38 Annotated Code of Maryland

- 5
1 (1997 Replacement Volume)
- 2 BY repealing and reenacting, with amendments,
3 Article - Estates and Trusts
4 Section 8-115
5 Annotated Code of Maryland
6 (1991 Replacement Volume and 1996 Supplement)
- 7 BY repealing and reenacting, with amendments,
8 Article - Family Law
9 Section 11-111(a)
10 Annotated Code of Maryland
11 (1991 Replacement Volume and 1996 Supplement)
- 12 BY repealing and reenacting, with amendments,
13 Article - Financial Institutions
14 Section 7-115, 7-116, and 10-115
15 Annotated Code of Maryland
16 (1992 Replacement Volume and 1996 Supplement)
- 17 BY repealing and reenacting, with amendments,
18 Article - Health - General
19 Section 4-217(e) and (f), 4-305(b)(5)(iv), 15-102.3(a), 15-102.4(c)(2)(i) and (ii)1.,
20 15-121.1(a), 15-121.2(a), and 17-215.1(a)
21 Annotated Code of Maryland
22 (1994 Replacement Volume and 1996 Supplement)
- 23 BY repealing and reenacting, with amendments,
24 Article - Health - General
25 Section 19-350.1(a)(2)(ii) and (iii) and (3), 19-3B-01(i)(1), 19-703(d) and (e)(1)
26 and (2)(ii), 19-706(b), (d), (e), (g), (h), (i), (j), (k), and (m), 19-706.1(a),
27 (b)(2), (c)(1), (d)(1)(i), (e)(1), and (g)(1), 19-710(d)(3)(i) and (ii)1.,
28 19-711(b)(1) and (2)(i), 19-711.2(a) and (b)(1), 19-712.3(a), 19-713.1(b),
29 19-713.4(a), 19-714(6), 19-716(7), 19-727(b), 19-729(a)(9), 19-733,
30 19-1301(f)(1)(ii)2., 19-1303(c), 19-1305.4(e)(1), 19-1306(d), 19-1501(c) and
31 (h), 19-1502(c)(5), 19-1507(i), 19-1509(a)(3)(i), 19-1510, and 19-1515(c)(1)
32 Annotated Code of Maryland
33 (1996 Replacement Volume and 1996 Supplement)
- 34 BY repealing and reenacting, with amendments,
35 Article - Health Occupations
36 Section 1-208(a)(3)(ii) and (iii) and (4), 1-305(b), 3-313(23), 7-407(a) and (c),
37 13-316(22), 14-404(a)(34), and 14-509
38 Annotated Code of Maryland
39 (1994 Replacement Volume and 1996 Supplement)

6

- 1 BY repealing and reenacting, with amendments,
2 Article - Labor and Employment
3 Section 8-603(a)(3), 8-805(c), 9-309(e), 9-316(a)(3)(i) and (iv), 9-401(b),
4 9-402(a)(4), 9-1006(d)(2), 10-122(a)(1), and 10-126(b)(1)(iii) and (2)(ii)
5 Annotated Code of Maryland
6 (1991 Volume and 1996 Supplement)
- 7 BY repealing and reenacting, with amendments,
8 Article - Real Property
9 Section 10-302(a) and (b) and 11-111.1(g)(1)(i)
10 Annotated Code of Maryland
11 (1996 Replacement Volume and 1996 Supplement)
- 12 BY repealing and reenacting, with amendments,
13 Article - State Finance and Procurement
14 Section 3-302(b)(8)
15 Annotated Code of Maryland
16 (1995 Replacement Volume and 1996 Supplement)
- 17 BY repealing and reenacting, with amendments,
18 Article - State Government
19 Section 9-1607.1(a)(3), 10-120(a)(4), 10-203(a)(3)(iii), 10-302(a)(4),
20 10-502(h)(3)(x)1., and 10-616(l)
21 Annotated Code of Maryland
22 (1995 Replacement Volume and 1996 Supplement)
- 23 BY repealing and reenacting, with amendments,
24 Article - Transportation
25 Section 15-604(a)(2), 17-103(b)(3) and (4), 17-105(a), 17-209(e), and 26-404(a)(4)
26 and (5) and (d)
27 Annotated Code of Maryland
28 (1992 Replacement Volume and 1996 Supplement)
- 29 BY repealing and reenacting, with amendments,
30 Article - Health - General
31 Section 19-706(l)
32 Annotated Code of Maryland
33 (1996 Replacement Volume and 1996 Supplement)
34 (As enacted by Chapter 24 of the Acts of the General Assembly of 1996)
- 35 BY repealing and reenacting, with amendments,
36 Article - Health - General
37 Section 19-1515(c)(1)
38 Annotated Code of Maryland

7

1 (1996 Replacement Volume and 1996 Supplement)
2 (As enacted by Chapter 462 of the Acts of the General Assembly of 1995)

3 BY repealing and reenacting, with amendments,
4 Article - Insurance
5 Section 4-112(e)(3)(i) and 8-301(f)(2)
6 Annotated Code of Maryland
7 (1995 Volume and 1996 Supplement)
8 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
9 amended by Chapter 456 of the Acts of the General Assembly of 1996)

10 BY repealing and reenacting, with amendments,
11 Article - Insurance
12 Section 6-105(b)
13 Annotated Code of Maryland
14 (1995 Volume and 1996 Supplement)
15 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
16 amended by Chapter 636 of the Acts of the General Assembly of 1996)

17 BY repealing and reenacting, without amendments,
18 Article - Insurance
19 Section 9-201(f) and 9-410(a)(2)(i)
20 Annotated Code of Maryland
21 (1995 Volume and 1996 Supplement)
22 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

23 BY repealing and reenacting, without amendments,
24 Article - Insurance
25 Section 16-506(c), 20-601(a)(1)(ii), 20-603(b)(1)(ii), and 25-405(g)(2)
26 Annotated Code of Maryland
27 (1996 Volume)
28 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

29 BY repealing and reenacting, with amendments,
30 Article - Insurance
31 Section 15-115(b), 18-106(b), and 18-107
32 Annotated Code of Maryland
33 (1995 Volume and 1996 Supplement)
34 (As enacted by Chapter _____ (H.B.11) of the Acts of the General Assembly of 1997)

35 BY repealing and reenacting, with amendments,
36 Article - Tax - General
37 Section 10-104
38 Annotated Code of Maryland

8

1 (1988 Volume and 1996 Supplement)

2 BY repealing and reenacting, with amendments,
3 Chapter 379 of the Acts of the General Assembly of 1996
4 Section 3

5 BY repealing and reenacting, with amendments, and transferring to the Session Laws
6 Article 48A - Insurance Code
7 Section 168(d) and 176(f)
8 Annotated Code of Maryland
9 (1994 Replacement Volume and 1996 Supplement)

10 BY repealing
11 Article 41 - Governor - Executive and Administrative Departments
12 Section 10-401 and the subtitle "Subtitle 4. Maryland Insurance Administration"
13 Annotated Code of Maryland
14 (1993 Replacement Volume and 1996 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article - Insurance
17 Section 1-202
18 Annotated Code of Maryland
19 (1995 Volume and 1996 Supplement)
20 (As enacted by Chapter 544, Section 5 of the Acts of the General Assembly of 1995
21 and Chapter _____ (H.B.11) of the Acts of the General Assembly of 1997)

22 BY repealing and reenacting, with amendments,
23 Article - Insurance
24 Section 27-208
25 Annotated Code of Maryland
26 (1995 Volume and 1996 Supplement)
27 (As enacted by Chapter 24, Section 2 of the Acts of the General Assembly of 1996
28 and Chapter _____ (H.B.11) of the Acts of the General Assembly of 1997)

29 BY repealing and reenacting, with amendments,
30 Article - Insurance
31 Section 16-114(c)(1)
32 Annotated Code of Maryland
33 (1996 Volume)
34 (As enacted by Chapter 490, Section 2 of the Acts of the General Assembly of 1993,
35 as amended by Chapter 148 of the Acts of the General Assembly of 1995 and
36 Chapter 11 of the Acts of the General Assembly of 1996)

37 BY repealing and reenacting, with amendments,
38 Article - Insurance

9

1 Section 18-106(b) and 18-107
2 Annotated Code of Maryland
3 (1995 Volume and 1996 Supplement)
4 (As enacted by Chapter 513, Section 2 of the Acts of the General Assembly of 1993,
5 Chapter 442 of the Acts of the General Assembly of 1996, and Chapter
6 _____ (H.B.11) of the Acts of the General Assembly of 1997)

7 BY repealing and reenacting, with amendments,

8 Article - Insurance
9 Section 18-106(b) and 18-107
10 Annotated Code of Maryland
11 (1995 Volume and 1996 Supplement)
12 (As enacted by Chapter 513, Section 2 of the Acts of the General Assembly of 1993,
13 Chapter 442 of the Acts of the General Assembly of 1996, Chapter
14 _____ (H.B.11) of the Acts of the General Assembly of 1997, and Section 13 of
15 this Act)

16 BY adding to

17 Article - Insurance
18 Section 2-105(e), 2-109(c), 10-104(f), and 10-105(f)
19 Annotated Code of Maryland
20 (1995 Volume and 1996 Supplement)
21 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

22 BY adding to

23 Article - Insurance
24 Section 11-212
25 Annotated Code of Maryland
26 (1995 Volume and 1996 Supplement)
27 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of
28 1997)

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

31 **Article - Insurance**

32 2-104.

33 (f) (2) As directed by the Commissioner, the investigators shall investigate, in
34 the State, violations or alleged violations of this article, including [§ X-XXX]
35 INSURANCE FRAUD AS DEFINED IN § 27-801 of this article.

36 2-112.

37 (a) Fees for the following certificates, licenses, and services shall be collected in
38 advance by the Commissioner, and shall be paid by the appropriate persons to the
39 Commissioner:

10

1 (15) fees for form and rate filings under [§§ XX-XXX, XX-XXX,
2 XX-XXX, XX-XXX, XX-XXX, and XX-XXX of this article [48A §§ 242, 242A, 334,
3 356, 375, and 436H]] TITLE 11, SUBTITLES 2 AND 4 AND §§ 8-434, 12-203, 13-110, AND
4 14-126 OF THIS ARTICLE\$100

5 2-114.

6 (c) The following moneys may not be considered general funds of the State and
7 shall be deposited in the Insurance Fraud Division Fund:

8 (1) revenue derived from the annual fraud prevention fee under [§ X-XXX
9 [48A § 640B]] § 6-202 of this article; and

10 2-202.

11 (b) When the Commissioner has exclusive jurisdiction under subsection (a) of this
12 section, the Human Relations Commission may:

13 (5) appeal as a party aggrieved by an order or decision of the Commissioner
14 under § 2-215 of this subtitle or [§ X-XXX of this article [48A § 242B]]§ 11-503 OF THIS
15 ARTICLE.

16 2-209.

17 (h) The Commissioner may not disclose any information obtained from another
18 state if the information is:

19 (2) of a nature that would be considered confidential under paragraph (1) of
20 this subsection if the examination had been made by this State under § 2-205 or § 2-206
21 of this subtitle or [§ XX-XXX of this article [48A § 486B]] § 23-103 OF THIS ARTICLE.

22 3-306.

23 (a) Surplus lines insurance may be procured from an unauthorized insurer if:

24 (3) except for insurance against liability of persons described in [§
25 XX-XXX of this article [48A § 551(c)(1), (2), and (3)]] § 24-206(1) OF THIS ARTICLE, the
26 amount of surplus lines insurance procured from an unauthorized insurer is only the
27 excess over the amount that can be procured from authorized insurers;

28 (4) for insurance against liability of persons described in [§ XX-XXX of
29 this article [48A § 551(c)(1), (2), and (3)]] § 24-206(1) OF THIS ARTICLE, the insurance
30 cannot be obtained from three or more authorized insurers that are writing on a broad
31 basis that particular kind and class of insurance;

32 (c) (1) This section does not prohibit a surplus lines broker from renewing a
33 risk with a surplus lines insurer if the risk was initially written on a surplus lines basis
34 when there were fewer than three authorized insurers actually writing on a broad basis
35 the particular kind and class of insurance to provide coverage against liability of persons
36 described in [§ XX-XXX of this article [48A § 551 (c)(1), (2), and (3)]] § 24-206(1) OF
37 THIS ARTICLE in the State.

11

1 3-326.

2 (c) A person that violates subsection (a) of this section is guilty of a misdemeanor
3 and on conviction is subject to the penalty provided by [§ XX-XXX[48A § 12]] § 1-301
4 of this article or to any greater applicable penalty provided by law.

5 4-103.

6 (b) To qualify for an initial certificate of authority to engage in one kind or a
7 combination of kinds of insurance business, an insurer must have and maintain the capital
8 stock and surplus requirements of:

9 (5) [Title 14, Subtitle X of this article [Subtitle 20 of 48A]] TITLE 14,
10 SUBTITLE 1 OF THIS ARTICLE, for a nonprofit health service plan.

11 5-701.

12 (a) When made through the Commissioner by insurers or health maintenance
13 organizations, the Treasurer shall accept and hold in trust:

14 (5) deposits required under [§ X-XXX [Art. 48A, § 61]] TITLE 6,
15 SUBTITLE 3 of this article.

16 5-703.

17 Deposits made under this subtitle shall be held for the following purposes:

18 (5) deposits required under [§ X-XXX [Art. 48A, § 61]] TITLE 6,
19 SUBTITLE 3 of this article shall be held for the purposes specified in the notice of the
20 Commissioner requiring the deposits to be made.

21 5-706.

22 (b) A judgment creditor or other claimant of an insurer may levy on a deposit
23 required under [§ X-XXX [Art. 48A, § 61]] TITLE 6, SUBTITLE 3 of this article if
24 allowed by the notice of the Commissioner requiring the deposit to be made.

25 7-803.

26 (a) Any violation of this title is an unfair trade practice in the business of
27 insurance and is subject to the provisions of [Title XX (Unfair Trade Practices subtitle)]
28 TITLE 27 of this article.

29 8-209.

30 (a) A managing general agent may not:

31 (3) take an action that would violate [§ XX-XXX of this article [48A, §
32 234B]] § 27-503 OF THIS ARTICLE if taken directly by the insurer;

33 8-304.

34 (a) To register as an administrator, an applicant must present evidence
35 satisfactory to the Commissioner that the applicant:

12

1 (4) for the administration of health benefit plans in the State, uses only the
2 uniform claim forms adopted by the Commissioner under [§ XX-XXX of this article
3 [48A § 490P]] § 15-1003 OF THIS ARTICLE.

4 8-434.

5 (c) (2) To the extent practicable, the regulations shall conform to the
6 requirements of [Title XX [Art. 48A, Subtitle 25]] TITLE 15 of this article.

7 (3) If the Commissioner determines that all or part of the requirements of
8 [Title XX [Art. 48A, Subtitle 25]] TITLE 15 of this article are inapplicable, the
9 Commissioner may prescribe the parts or summary of the parts of the contract to be
10 printed on the certificate that is issued to the member.

11 8-518.

12 (a) A reinsurance manager:

13 (4) may not take an action that would constitute a violation of [§ XX-XXX
14 [Art. 48A, § 234B]] § 27-503 of this article if taken directly by a reinsurer;

15 9-231.

16 (g) The Commissioner may issue a cease and desist order in accordance with [§
17 X-XXX of this article [48A § 215]] § 27-103 OF THIS ARTICLE against a person that
18 violates subsection (c) or subsection (e) of this section.

19 10-118.

20 (b) Within 30 days after an insurer receives an application for life insurance,
21 health insurance, or an annuity from an agent that does not have an appointment from
22 the insurer, the insurer shall:

23 (1) reject the application in accordance with [§ XX-XXX [48A § 234A]] §
24 27-501 of this article; or

25 10-121.

26 (j) (5) The examination required under this section is in addition to any
27 examination conducted by the Commissioner to determine compliance with the accounts
28 maintained for the benefit of the Maryland Affordable Housing Trust under [§ XX-XXX
29 [48A § 486-2]] § 22-103 of this article.

30 19-505.

31 (a) Unless waived in accordance with § 19-506 of this subtitle, each insurer that
32 issues, sells, or delivers a motor vehicle liability insurance policy in the State shall provide
33 coverage for the medical, hospital, and disability benefits described in this section for
34 each of the following individuals:

35 (1) except for individuals specifically excluded under [§ 27-XXX] § 27-606
36 of this article:

37 (i) the first named insured, and any family member of the first named
38 insured who resides in the first named insured's household, who is injured in any motor

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1 vehicle accident, including an accident that involves an uninsured motor vehicle or a
2 motor vehicle the identity of which cannot be ascertained; and

3 19-509.

4 (f) An insurer may exclude from the uninsured motorist coverage required by this
5 section benefits for:

6 (2) the named insured, a family member of the named insured who resides
7 in the named insured's household, and any other individual who has other applicable
8 motor vehicle insurance for an injury that occurs when the named insured, family
9 member, or other individual is occupying or is struck as a pedestrian by the insured motor
10 vehicle while the motor vehicle is operated or used by an individual who is excluded from
11 coverage under [§ 27-XXX] § 27-606 of this article.

12 20-507.

13 (b) (1) Except as provided in subsection (c) of this section, the provisions of [§
14 XX-XXX [Art. 48A, § 242(c)]] TITLE 11, SUBTITLE 2 of this article apply to the
15 determination of premiums by the Executive Director.

16 (2) Notwithstanding [§ XX-XXX [Art. 48A, § 242(c)]] TITLE 11,
17 SUBTITLE 2 of this article or any other provision of this title, the Executive Director may
18 base premiums on one or both of the following items:

19 (i) the number of points accumulated by an insured or applicant for
20 insurance under the point system provided for in Title 16, Subtitle 4 of the Transportation
21 Article; or

22 (ii) the prior claims experience of an insured or applicant for
23 insurance.

24 (c) (2) Notwithstanding paragraph (1) of this subsection, the rating principles
25 under [§ XX-XXX [Art. 48A, § 242C(a)(2)]] of this title] SUBSECTION (D) OF THIS
26 SECTION may not be used to determine the premium for commercial coverage.

27 (d) In reviewing rates filed by the Fund, the Commissioner shall consider not only
28 the rating principles under [§ XX-XXX [Art. 48A, § 242(c)]] TITLE 11, SUBTITLE 2 of
29 this article but also the statutory purpose of the Fund under § 20-301 of this title.

30 20-516.

31 (c) If a person does not have a valid license or other privilege to drive a covered
32 vehicle in the State, or is otherwise ineligible to be insured by the Fund, the Fund may
33 issue the appropriate policy with an excluded driver endorsement under [§ XX-XXX
34 [Art. 48A, § 240C-1]] § 27-606 of this article.

35 20-518.

36 (b) If, after a hearing, the Motor Vehicle Administration suspends or revokes the
37 insured's driver's license, the Executive Director shall cancel or refuse to continue the
38 coverage after having given the notice required under [§ XX-XXX [Art. 48A, §
39 240A(c)]] § 27-604 of this article.

14

1 25-103.

2 (d) Each risk retention group, and each agent or representative of a risk retention
3 group, shall comply with [§ XX-XXX [48A § 230A] of this article ("Unfair claim
4 settlement practices")]TITLE 27, SUBTITLE 3 OF THIS ARTICLE.

5 25-405.

6 (d) The program of operation shall provide for:

7 (10) notwithstanding [§§ XX-XXX through XX-XXX [48A §§ 240A
8 through 240D]] TITLE 27, SUBTITLE 6 of this article, underwriting guidelines and
9 procedures that allow the Association to shorten the cancellation period for policies of
10 essential property insurance and homeowner's insurance for certain conditions that are
11 determined to exist.

12 25-406.

13 A person with an insurable interest in real or tangible personal property at a fixed
14 location may apply to the Association for essential property insurance or homeowner's
15 insurance if the person has been:

16 (2) able to obtain essential property insurance or homeowner's insurance
17 only after application under [§§ XX-XXX or XX-XXX [Art. 48A, §§ 242(h)(3) or
18 244Q]] § 11-210 OR § 11-311 of this article; or

19 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
20 read as follows:

21 **Article - Insurance**

22 2-112.

23 (a) Fees for the following certificates, licenses, and services shall be collected in
24 advance by the Commissioner, and shall be paid by the appropriate persons to the
25 Commissioner:

26 (17) fees for form and rate filings under [§§ XX-XXX, XX-XXX,
27 XX-XXX, XX-XXX, XX-XXX, and XX-XXX of this article [48A §§ 242, 242A, 334,
28 356, 375, and 436H]] TITLE 11, SUBTITLES 2 AND 4 AND §§ 8-434, 12-203, 13-110, AND
29 14-126 OF THIS ARTICLE.....\$100

30 SECTION 3. AND BE IT FURTHER ENACTED, That Section(s) 25(o) through
31 (w), respectively, of Article 1 - Rules of Interpretation of the Annotated Code of
32 Maryland be renumbered to be Section(s) 25(p) through (x), respectively.

33 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland
34 read as follows:

35 **Article 1 - Rules of Interpretation**

36 25.

37 (O) A SECTION OF THE INSURANCE ARTICLE MAY BE CITED AS: "§ OF THE
38 INSURANCE ARTICLE".

15

1 Article 25 - County Commissioners

2 3.

3 (g-5) Boards of county commissioners may enter into joint pooling agreements with
4 public entities, as defined in [Article 48A, § 482B of the Code] § 19-602 OF THE
5 INSURANCE ARTICLE, for the purpose of purchasing casualty, property, or health
6 insurance or, in accordance with other provisions of law, self-insuring casualty, property,
7 or health risks.

8 Article 27 - Crimes and Punishments

9 616 1/2.

10 (f) (1) The circuit courts for each of the counties are authorized to prescribe by
11 rule of court the terms and conditions of bail bonds filed in the circuit court for each
12 county respectively. This power includes but is not limited to prescribing the
13 qualifications of and fees charged by bondsmen. A bond commissioner may be appointed
14 to administer the rules of court adopted pursuant to this section. Violations of any rule of
15 court promulgated hereunder shall be considered contempt of court and punished as for
16 contempt. In addition a person may not engage in the business of becoming surety for
17 compensation on bonds in criminal cases until he shall have been approved by such rules
18 as the circuit court may have adopted and, if required under the provisions of [Article
19 48A of the Code] THE INSURANCE ARTICLE, licensed in accordance with [Article 48A
20 of the Code] THE INSURANCE ARTICLE.

21 Article 70B - Office on Aging

22 20.

23 (b) The receiver shall have such power to rehabilitate, conserve, or liquidate as is
24 conferred by the order of appointment and by the provisions of [Article 48A, §§ 132
25 through 164B] TITLE 9, SUBTITLE 2 OF THE INSURANCE ARTICLE relating to
26 rehabilitation and liquidation of insurance companies.

27 23.

28 Any operation subject to the provisions of this subtitle shall not be subject to the
29 provisions of the Health Maintenance Organization Act of the Health - General Article;
30 [Article 48A of the Code, except § 470N] THE INSURANCE ARTICLE, EXCEPT § 15-603
31 OF THE INSURANCE ARTICLE; Title 8 of the Real Property Article; or any county or
32 municipal landlord-tenant law. If a provider contractually utilizes the services of a
33 licensed home health agency or residential service agency and is not itself directly
34 providing the type of services provided by a home health or residential service agency,
35 then the provider shall not be subject to the provisions of Title 19, Subtitles 4 and 4A of
36 the Health - General Article of the Maryland Annotated Code. Under [§ 470N of Article
37 48A] § 15-603 OF THE INSURANCE ARTICLE, the liability of the provider to the State
38 Department of Health and Mental Hygiene shall be limited to the amount of money
39 which would be due as a refund if the subscriber were dismissed under § 15 at the time of
40 enrollment in services rendered by, or paid in full or in part by the State Department of
41 Health and Mental Hygiene.

16

1 **Article 83B - Department of Housing and Community Development**

2 11-104.

3 (a) The Board of Trustees may solicit and accept for investment in the Trust
4 money from any source, including gifts, grants, legacies or money from the federal
5 government, State government, local governments or any private source, and interest
6 money earned on trust accounts held by title insurers, or their agents or approved
7 attorneys under [Article 48A, § 486-2 of the Code] § 22-103 OF THE INSURANCE
8 ARTICLE.

9 **Article 95 - Treasurer**

10 22G.

11 (j) For the purposes of this section, "local government" includes all of the legal
12 entities, bodies, and agencies set out in § 22 of this article and local government insurance
13 pools formed under [Article 48A, § 482B of the Code] TITLE 19, SUBTITLE 6 OF THE
14 INSURANCE ARTICLE, but does not include the State and agencies of the State.

15 **Article - Commercial Law**

16 12-123.

17 (a) In this section, "binder" means a binder or other temporary contract of
18 insurance as provided under [Article 48A, § 379 of the Code] § 12-106 OF THE
19 INSURANCE ARTICLE.

20 12-312.

21 (e) Under this subtitle, insurance may be obtained only:

22 (2) At rates not exceeding those approved by the [Insurance Division of the
23 Department of Labor, Licensing, and Regulation] INSURANCE ADMINISTRATION.

24 12-410.

25 (e) Under this subtitle, insurance may be obtained only:

26 (2) At rates not exceeding those approved by the [Insurance Division of the
27 Department of Labor, Licensing, and Regulation] INSURANCE ADMINISTRATION.

28 12-909.1.

29 (a) In this section, "binder" means a binder or other temporary contract of
30 insurance as provided under [Article 48A, § 379 of the Code] § 12-106 OF THE
31 INSURANCE ARTICLE.

32 12-1007.1.

33 (a) In this section, "binder" means a binder or other temporary contract of
34 insurance as provided under [Article 48A, § 379 of the Code] § 12-106 OF THE
35 INSURANCE ARTICLE.

36 14-2601.

37 (c) (2) "Door-to-door solicitation" does not include a transaction that:

17

1 (ii) Is made in the regular course of business by any person licensed or
2 regulated under:

3 1. [Article 48A of the Code] THE INSURANCE ARTICLE;
4 17-101.

5 (j) "Insurance corporation" means any association or corporation transacting in
6 the State the business of insurance on the lives of persons or insurance pertaining to life
7 insurance, including endowments and annuities, disability, accident and health insurance,
8 and property, casualty, and surety insurance, as these terms are defined in [Article 48A
9 of the Code] THE INSURANCE ARTICLE.

10 **Article - Corporations and Associations**

11 7-201.

12 This subtitle does not apply to:

13 (1) An insurance company subject to the provisions of [Article 48A of the
14 Code] THE INSURANCE ARTICLE;

15 **Article - Courts and Judicial Proceedings**

16 3-2A-08.

17 (a) Evidence of advanced payments made pursuant to [§ 482A(c) of Article 48A
18 of the Code] § 19-104(B) OF THE INSURANCE ARTICLE is not admissible in any
19 arbitration or judicial proceeding for damages due to medical injury until there is an
20 award, in the case of arbitration proceedings, or a verdict, in the case of judicial
21 proceedings, in favor of the claimant and against the person who made the advanced
22 payments. Upon the finding of such an award or verdict, the arbitration panel, or the trier
23 of fact, shall make a finding of total damages, and shall then deduct whatever amounts it
24 finds were paid by or on behalf of the defendants pursuant to [§ 482A(c) of Article 48A]
25 § 19-104(B) OF THE INSURANCE ARTICLE. The net amount, after this deduction, shall be
26 entered as its award or verdict.

27 4-301.

28 (b) Except as provided in § 4-302, the District Court also has exclusive original
29 jurisdiction in a criminal case in which a person at least 18 years old or a corporation is
30 charged with:

31 (9) Violation of [Article 48A, § 233 of the Code] TITLE 27, SUBTITLE 4 OF
32 THE INSURANCE ARTICLE, whether a felony or a misdemeanor;

33 5-334.

34 (a) There may not be any liability on the part of or cause of action of any nature
35 against [any member insurer] AN ASSOCIATION MEMBER, the Joint Insurance
36 Association or its agents or employees, the Board of Directors, or the [State] Insurance
37 Commissioner or the Commissioner's representatives for any action taken by them in the
38 performance of their powers and duties under [Article 48A, Subtitle 27A of the Code]
39 TITLE 25, SUBTITLE 4 OF THE INSURANCE ARTICLE, except:

18

1 (1) To the extent that it is proven that any of the entities or individuals
2 specified in this subsection actually received an improper benefit or profit in money,
3 property, or services, for the amount of the benefit or profit in money, property, or
4 services actually received;

5 (2) To the extent that a judgment or other final adjudication adverse to any
6 of the entities or individuals specified in this section is entered in a proceeding based on
7 a finding in the proceeding that the entity's or individual's action, or failure to act, was
8 the result of active and deliberate dishonesty and was material to the cause of action
9 adjudicated in the proceeding; or

10 (3) To the extent that any act of an entity or individual specified in this
11 section was committed in bad faith.

12 (b) There may not be any liability on the part of or cause of action of any nature
13 against [insurers] AN ASSOCIATION MEMBER, the Joint Insurance Association, the
14 governing committee of the Joint Insurance Association, their agents or employees, or the
15 [State] Insurance Commissioner or the Commissioner's authorized representatives for
16 any failure to discover defects in the property inspected or for any statements made in any
17 reports and communications concerning the insurability of the property, or in the findings
18 required by the provisions of [Article 48A, Subtitle 27A of the Code] TITLE 25,
19 SUBTITLE 4 OF THE INSURANCE ARTICLE or the hearings conducted in connection
20 therewith.

21 5-335.

22 There shall be no liability on the part of and no cause of action of any nature shall
23 arise against an insurer reporting under [Article 48A, § 490B of the Code] § 4-401 OF
24 THE INSURANCE ARTICLE or its agents or employees, the Commission on medical
25 discipline or its representatives, or any appropriate licensing board for health care
26 providers for any action taken by them under [Article 48A, § 490B of the Code] § 4-401
27 OF THE INSURANCE ARTICLE.

28 5-336.

29 There shall be no liability on the part of and no cause of action of any nature shall
30 arise against a member insurer, the Property and Casualty Insurance Guaranty
31 Corporation or its agents or employees, the Board of Directors, or the [State] Insurance
32 Commissioner or the Commissioner's representatives for any action taken by them in the
33 performance of their powers and duties under [Article 48A, Subtitle 33 of the Code]
34 TITLE 9, SUBTITLE 3 OF THE INSURANCE ARTICLE.

35 5-337.

36 (a) Except for the payment of assessments as provided under [Article 48A,
37 Subtitle 34 of the Code] TITLE 9, SUBTITLE 4 OF THE INSURANCE ARTICLE, there shall
38 be no liability on the part of and no cause of action of any nature shall arise against a
39 member insurer or its agents or employees, the Life and Health Insurance Guaranty
40 Corporation or its agents or employees, members of the Board of Directors, or the
41 [State] Insurance Commissioner or representatives of the Commissioner for any action
42 or omission taken by them in the performance of their powers and duties under [Article
43 48A, Subtitle 34 of the Code] TITLE 9, SUBTITLE 4 OF THE INSURANCE ARTICLE.

19

1 10-104.

2 (a) The provisions of this section apply only to a proceeding in the District Court
3 for a claim for:

4 (2) Medical, hospital, or disability benefits under [Article 48A, § 539 of the
5 Code] §§ 19-505 AND 19-506 OF THE INSURANCE ARTICLE;

6 (3) First party motor vehicle medical payments under [Article 48A, § 541 of
7 the Code] §§ 19-509 AND 19-510 OF THE INSURANCE ARTICLE; and

8 10-402.

9 (c) (2) It is lawful under this subtitle for an investigative or law enforcement
10 officer acting in a criminal investigation or any other person acting at the prior direction
11 and under the supervision of an investigative or law enforcement officer to intercept a
12 wire, oral, or electronic communication in order to provide evidence of the commission of
13 the offenses of murder, kidnapping, rape, a sexual offense in the first or second degree,
14 child abuse, gambling, robbery, any felony punishable under the "Arson and Burning"
15 subheading of Article 27, bribery, extortion, or dealing in controlled dangerous
16 substances, including violations of Article 27, § 286B or § 287A, fraudulent insurance
17 acts, as defined in [Article 48A, § 233] TITLE 27, SUBTITLE 4 OF THE INSURANCE
18 ARTICLE or any conspiracy or solicitation to commit any of these offenses, or where any
19 person has created a barricade situation and probable cause exists for the investigative or
20 law enforcement officer to believe a hostage or hostages may be involved, where the
21 person is a party to the communication or one of the parties to the communication has
22 given prior consent to the interception.

23 **Article - Education**

24 4-105.

25 (c) (1) A county board complies with this section if it:

26 (ii) Pools with other public entities for the purpose of self-insuring
27 property or casualty risks under [Article 48A, § 482B of the Code] TITLE 19, SUBTITLE
28 6 OF THE INSURANCE ARTICLE.

29 **Article - Estates and Trusts**

30 8-115.

31 The proceeds of a life insurance policy, annuity contract, or any money payable by
32 a fraternal benefit society are exempt from claims in accordance with the provisions of
33 [§§ 328 and 385 of Article 48A] §§ 8-431 AND 16-111 OF THE INSURANCE ARTICLE.

34 **Article - Family Law**

35 11-111.

36 (a) In accordance with the provisions of [Article 48A, § 490H of the Code] §
37 15-408 OF THE INSURANCE ARTICLE, the court may, either after a divorce is granted or
38 pendente lite, allocate between the parties any additional costs of providing hospital,

20

1 medical, or surgical benefits under a group contract or require continuation or
2 reinstatement of such benefits.

3 **Article - Financial Institutions**

4 7-115.

5 The Corporation, its members, and persons who have share and deposit accounts in
6 credit unions are not subject to the provisions of [Article 48A of the Code "Insurance"]
7 THE INSURANCE ARTICLE as a result of any of the activities of the Corporation under
8 this title.

9 7-116.

10 The Corporation is exempt from all taxes imposed by this State or any of its political
11 subdivisions under Title 9 of Article 24 of the Code, [Subtitle 47 of Article 48A of the
12 Code] TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE, the Tax - General Article, or
13 the Tax - Property Article.

14 10-115.

15 The Fund is not subject to [Article 48A of the Code] THE INSURANCE ARTICLE.

16 **Article - Health - General**

17 4-217.

18 (e) The Secretary shall include with every copy of a death certificate, in a form
19 prescribed and provided by the Insurance Commissioner, a notice which advises that
20 certain individuals may be entitled to continuation of group health insurance benefits
21 under [Article 48A, § 490G of the Code] § 15-407 OF THE INSURANCE ARTICLE.

22 (f) The Secretary shall include with every copy of a death certificate, in a form
23 prescribed by the Insurance Commissioner, a notice which advises that certain individuals
24 may be entitled to become members of the Maryland Group Health Insurance Plan under
25 [Article 48A, §§ 610 through 616 of the Code] TITLE 14, SUBTITLE 3 OF THE
26 INSURANCE ARTICLE.

27 4-305.

28 (b) A health care provider may disclose a medical record without the
29 authorization of a person in interest:

30 (5) If a claim has been or may be filed by, or with the authorization of a
31 patient or recipient on behalf of the patient or recipient, for covered insureds, covered
32 beneficiaries, or enrolled recipients only, to third party payors and their agents, if the
33 payors or agents have met the applicable provisions of Title 19, Subtitle 13 of the Health
34 - General Article, including nonprofit health service plans, health maintenance
35 organizations, fiscal intermediaries and carriers, the Department of Health and Mental
36 Hygiene and its agents, the United States Department of Health and Human Services and
37 its agents, or any other person obligated by contract or law to pay for the health care
38 rendered for the sole purposes of:

21

1 (iv) Coordinating benefit payments in accordance with the provisions
2 of [Article 48A of the Code] THE INSURANCE ARTICLE under more than 1 sickness and
3 accident, dental, or hospital and medical insurance policy;

4 15-102.3.

5 (a) The provisions of [Article 48A, § 490CC of the Code (Provider participation
6 standards)] § 15-112 OF THE INSURANCE ARTICLE (PROVIDER PANELS) shall apply to
7 managed care organizations in the same manner they apply to carriers.

8 15-102.4.

9 (c) (2) (i) For the protection of the managed care organization's enrollees
10 and creditors, the applicant shall deposit and maintain in trust with the State Treasurer
11 \$100,000 in cash or government securities of the type described in [Article 48A, § 110] §
12 5-701(B) OF THE INSURANCE ARTICLE.

13 (ii) 1. The deposits shall be accepted and held in trust by the State
14 Treasurer in accordance with the provisions of [Article 48A, §§ 108 through 118 of the
15 Code] TITLE 5, SUBTITLE 7 OF THE INSURANCE ARTICLE.

16 15-121.1.

17 (a) If a Program recipient has a claim for any medical, hospital or disability
18 benefits under [Article 48A, § 539 of the Code] §§ 19-505 AND 19-506 OF THE
19 INSURANCE ARTICLE, the Department shall be subrogated to that claim to the extent of
20 any payments made by the Department on behalf of the Program recipient that results
21 from the occurrence that gave rise to the claim less:

22 (1) Applicable attorney's fees; and

23 (2) Any rights for loss of income.

24 15-121.2.

25 (a) If a Program recipient has a claim for any medical, hospital, or disability
26 benefits under [Article 48A, § 541 of the Code] §§ 19-509 AND 19-510 OF THE
27 INSURANCE ARTICLE, the Department shall be subrogated to that claim to the extent of
28 any payments made by the Department on behalf of the Program recipient that results
29 from the occurrence that gave rise to the claim, less applicable attorney's fees.

30 17-215.1.

31 (a) A laboratory that requires a health care provider to submit a written referral
32 to receive laboratory services shall accept the uniform laboratory referral form adopted
33 by the Insurance Commissioner under [Article 48A, § 490BB of the Code] § 15-120 OF
34 THE INSURANCE ARTICLE as the sole instrument for referrals for laboratory services.

35 19-350.1.

36 (a) (2) "Third party payor" means any person that administers or provides
37 reimbursement for hospital benefits on an expense incurred basis including:

22

1 (ii) A health insurer or nonprofit health service plan authorized to
2 offer health insurance policies or contracts in this State in accordance with [Article 48A
3 of the Code] THE INSURANCE ARTICLE; or

4 (iii) A third party administrator registered under [Article 48A of the
5 Code] THE INSURANCE ARTICLE.

6 (3) "Uniform claims form" means the claim or billing form for
7 reimbursement of hospital services adopted by the Insurance Commissioner under [§
8 490P of Article 48A of the Code] § 15-1003 OF THE INSURANCE ARTICLE.

9 19-3B-01.

10 (i) "Payor" means:

11 (1) A health insurer, nonprofit health service plan, or health maintenance
12 organization that holds a certificate of authority to offer health insurance policies or
13 contracts in the State in accordance with this article or [Article 48A of the Code] THE
14 INSURANCE ARTICLE;

15 19-703.

16 (d) Health maintenance organizations shall provide continuation coverage
17 required under [Article 48A, §§ 490G, 490H, and 490-I of the Code] §§ 15-407
18 THROUGH 15-409 OF THE INSURANCE ARTICLE.

19 (e) (1) Notwithstanding any other provision of this subtitle, a health
20 maintenance organization may offer a benefit package that provides at a minimum
21 benefits required by [Article 48A, § 490-O of the Code] FORMER ARTICLE 48A, § 490-O
22 for a limited benefits policy.

23 (2) A benefit package offered under paragraph (1) of this subsection shall:

24 (ii) Satisfy the requirements of [Article 48A, § 490-O of the Code]
25 FORMER ARTICLE 48A, § 490-O.

26 19-706.

27 (b) (1) Any health maintenance organization that is regulated by [Article 48A,
28 Subtitle 20, Nonprofit Health Service Plans, of the Code] TITLE 14, SUBTITLE 1 OF THE
29 INSURANCE ARTICLE is subject also to this subtitle.

30 (2) This subsection applies to a corporation described in [Article 48A,
31 Subtitle 20, Nonprofit Health Service Plans, of the Code] TITLE 14, SUBTITLE 1 OF THE
32 INSURANCE ARTICLE, but only if it is a health maintenance organization.

33 (d) (1) The provisions of [Article 48A, § 58A of the Code and Article 48A,
34 Subtitles 9A and 11] § 9-231 AND TITLE 9, SUBTITLE 1 AND TITLE 10, SUBTITLE 1 OF
35 THE INSURANCE ARTICLE shall apply to health maintenance organizations.

36 (2) The provisions of [Article 48A, § 490GG of the Code] § 15-815 OF THE
37 INSURANCE ARTICLE shall apply to health maintenance organizations.

38 (e) A health maintenance organization which enrolls members eligible for
39 Medicare benefits under Title XVIII of the Social Security Act shall be subject to the

23

1 requirements of [Article 48A, §§ 468B through 468GB of the Medicare Supplement and
2 Specified Disease Act] TITLE 15, SUBTITLE 9 OF THE INSURANCE ARTICLE, to the
3 extent any of the provisions of [the latter Act] TITLE 15, SUBTITLE 9 OF THE
4 INSURANCE ARTICLE are applicable to the Medicare eligible members.

5 (g) The provisions of [Article 48A, §§ 230A and 234D of the Code] § 27-504 AND
6 TITLE 27, SUBTITLE 3 OF THE INSURANCE ARTICLE shall apply to health maintenance
7 organizations.

8 (h) The provisions of [Article 48A, §§ 354A(a), 438A, and 490T of the Code] §§
9 15-401 THROUGH 15-403 OF THE INSURANCE ARTICLE shall apply to health
10 maintenance organizations.

11 (i) The provisions of [Article 48A, §§ 490U, 490AA, 490CC, 490DD, and 490HH
12 of the Code] §§ 15-105, 15-112, 15-113, 15-804, AND 15-812 OF THE INSURANCE ARTICLE
13 shall apply to health maintenance organizations.

14 (j) The provisions of [Article 48A, Subtitle 55] TITLE 15, SUBTITLE 12 OF THE
15 INSURANCE ARTICLE shall apply to health maintenance organizations.

16 (k) The provisions of [Article 48A, § 223.1 of the Code] § 27-909 OF THE
17 INSURANCE ARTICLE shall apply to health maintenance organizations.

18 (m) The provisions of [Article 48A, § 490JJ of the Code] § 15-116 OF THE
19 INSURANCE ARTICLE apply to health maintenance organizations.

20 19-706.1.

21 (a) Subject to this section, the provisions of [Article 48A, Subtitle 10 of the
22 Code] TITLE 9, SUBTITLE 2 OF THE INSURANCE ARTICLE regarding the rehabilitation
23 and liquidation of insurers are applicable to health maintenance organizations.

24 (b) (2) The provisions of [Article 48A, §§ 162, 162A, 163, and 164 of the Code]
25 §§ 9-224 AND 9-225 OF THE INSURANCE ARTICLE do not apply to the rehabilitation or
26 liquidation of a health maintenance organization.

27 (c) The Commissioner may apply for an order directing the Commissioner to
28 rehabilitate or liquidate a health maintenance organization:

29 (1) Upon any one or more grounds set out in [Article 48A, Subtitle 10 of
30 the Code] TITLE 9, SUBTITLE 2 OF THE INSURANCE ARTICLE; or

31 (d) (1) In addition to the Commissioner's authority under [Article 48A,
32 Subtitle 10 of the Code] TITLE 9, SUBTITLE 2 OF THE INSURANCE ARTICLE, the
33 Commissioner as a rehabilitator of a health maintenance organization may, subject to
34 approval by a court:

35 (i) Change premium rates and other terms of an individual or group
36 contract;

37 (e) In addition to the Commissioner's authority under [Article 48A, Subtitle 10 of
38 the Code] TITLE 9, SUBTITLE 2 OF THE INSURANCE ARTICLE, the Commissioner as a
39 liquidator may, subject to approval by a court:

24

1 (1) Contract with a solvent health maintenance organization or other
2 appropriate entity to operate the insolvent health maintenance organization, including
3 the provision of medical care, on a short-term basis;

4 (g) In the event of the liquidation or rehabilitation of a health maintenance
5 organization under this section:

6 (1) Members of the health maintenance organization shall have the same
7 priority of claims as provided in [Article 48A, § 158A of the Code] § 9-227(C) OF THE
8 INSURANCE ARTICLE; and

9 19-710.

10 (d) (3) (i) For the protection of the health maintenance organization's
11 members and creditors, the applicant shall deposit and maintain in trust with the State
12 Treasurer \$100,000 in cash or government securities of the type described in [Article
13 48A, § 110] § 5-701(B) OF THE INSURANCE ARTICLE.

14 (ii) 1. The deposits shall be accepted and held in trust by the State
15 Treasurer in accordance with [the provisions of Article 48A, §§ 108 through 118] TITLE
16 5, SUBTITLE 7 OF THE INSURANCE ARTICLE.

17 19-711.

18 (b) (1) A person shall comply with the procedures required by [Article 48A, §§
19 494 and 494A] TITLE 7, SUBTITLES 3 AND 4 OF THE INSURANCE ARTICLE to the extent
20 applicable before:

21 (i) That person may make a tender for or a request or invitation for
22 tenders of or enter into an agreement to exchange securities for or acquire in the open
23 market or otherwise, any voting security of a domestic health maintenance organization
24 or enter into any other such agreement if, after the consummation thereof, that person
25 would, directly or indirectly, or by conversion or by exercise of any right to acquire be in
26 control of the domestic health maintenance organization; or

27 (ii) That person may enter into an agreement to merge or consolidate
28 with, or otherwise to acquire control of a domestic health maintenance organization.

29 (2) (i) Approval by the Insurance Commissioner shall be governed by
30 [Article 48A, § 494(e)] § 7-306 OF THE INSURANCE ARTICLE.

31 19-711.2.

32 (a) A person shall comply with the procedures required by [Article 48A, §§ 494
33 and 494A] TITLE 7, SUBTITLES 3 AND 4 OF THE INSURANCE ARTICLE to the extent
34 applicable before:

35 (1) That person may make a tender for or a request or invitation for tenders
36 of or enter into an agreement to exchange securities for or acquire in the open market or
37 otherwise, any voting security of a foreign health maintenance organization that is
38 authorized to do business in this State or enter into any other such agreement if, after the
39 consummation thereof, that person would, directly or indirectly, or by conversion or by

25

1 exercise of any right to acquire be in control of the foreign health maintenance
2 organization that is authorized to do business in this State; or

3 (2) That person may enter into an agreement to merge or consolidate with,
4 or otherwise to acquire control of, a foreign health maintenance organization that is
5 authorized to do business in this State.

6 (b) (1) Approval by the Insurance Commissioner shall be governed by [Article
7 48A, § 494(e)] § 7-306 OF THE INSURANCE ARTICLE.

8 19-712.3.

9 (a) Except as provided in subsection (d) of this section, for services rendered to
10 its members or subscribers, a health maintenance organization shall accept as a properly
11 filed claim and the sole instrument for reimbursement the uniform claims form submitted
12 by a hospital or health care practitioner in accordance with [§ 490P of Article 48A of the
13 Code] § 15-1003 OF THE INSURANCE ARTICLE.

14 19-713.1.

15 (b) Notwithstanding the provisions of subsection (a) of this section, a contract
16 between a health maintenance organization and its subscribers or a group of subscribers
17 may not contain nonduplication provisions or provisions to coordinate coverage with any
18 individually underwritten and issued, guaranteed renewable, specified disease policy, as
19 defined in [Article 48A, § 468H of the Code] § 15-109 OF THE INSURANCE ARTICLE, or
20 intensive care policy, which does not provide benefits on an expense incurred basis.

21 19-713.4.

22 (a) If a health maintenance organization requires its subscribers to have a referral
23 to receive consultation services in writing, the health maintenance organization shall use
24 the uniform consultation referral form adopted by the Commissioner under [Article 48A,
25 § 490BB of the Code] § 15-120 OF THE INSURANCE ARTICLE as the sole instrument for
26 referrals for consultation services.

27 19-714.

28 Each marketing document that sets forth the health care services of a health
29 maintenance organization shall describe fully and clearly:

30 (6) All information required by [Article 48A, § 703(c) of the Code] §
31 15-1206 OF THE INSURANCE ARTICLE.

32 19-716.

33 Annually, each health maintenance organization shall provide to its members and
34 make available to the general public, in clear, readable, and concise form:

35 (7) The information required to be disclosed by [Article 48A, § 703(c) of
36 the Code] § 15-1206 OF THE INSURANCE ARTICLE; and

26

1 19-727.

2 (b) (1) Each health maintenance organization that is authorized to operate
3 under this subtitle is exempted from paying the premium tax imposed under [Article
4 48A, § 632 of the Code] TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE.

5 (2) Premiums received by an insurer under policies that provide health
6 maintenance organization benefits are not subject to the premium tax imposed under
7 [Article 48A, § 632 of the Code] TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE to
8 the extent:

9 (i) Of the amounts actually paid by the insurer to a nonprofit health
10 maintenance organization that operates only as a health maintenance organization; or

11 (ii) The premiums have been paid by that nonprofit health
12 maintenance organization.

13 19-729.

14 (a) A health maintenance organization may not:

15 (9) Violate any applicable provision of [Subtitle 55 of Article 48A of the
16 Code] TITLE 15, SUBTITLE 12 OF THE INSURANCE ARTICLE; or

17 19-733.

18 Any party aggrieved by a final action of the Commissioner under this subtitle has
19 the right to a hearing and the right to appeal from the action of the Commissioner under
20 [Article 48A, §§ 35 through 40 of the Code] §§ 2-210 THROUGH 2-215 OF THE
21 INSURANCE ARTICLE.

22 19-1301.

23 (f) "Private review agent" means:

24 (1) A nonhospital-affiliated person or entity performing utilization review
25 that is either affiliated with, under contract with, or acting on behalf of:

26 (ii) A third party that provides or administers hospital benefits to
27 citizens of this State, including:

28 2. A health insurer, nonprofit health service plan, health
29 insurance service organization, or preferred provider organization authorized to offer
30 health insurance policies or contracts in this State in accordance with [Article 48A of the
31 Code] THE INSURANCE ARTICLE; or

32 19-1303.

33 (c) The Secretary may delegate the authority to issue a certificate to the
34 Commissioner for any health insurer or nonprofit health service plan regulated under
35 [Article 48A of the Code] THE INSURANCE ARTICLE or health maintenance
36 organization issued a certificate of authority in accordance with Subtitle 7 of this title that
37 meets the requirements of this subtitle and all applicable regulations of the Secretary.

27

1 19-1305.4.

2 (e) (1) The private review agent or health maintenance organization may not
3 require additional documentation from, require additional utilization review of, or
4 otherwise provide financial disincentives for an attending provider who orders care for
5 which coverage is required to be provided under this section, § 19-703 of this article, or
6 [Article 48A, §§ 354F, 470H, or 477-I of the Code] § 15-811 OF THE INSURANCE
7 ARTICLE.

8 19-1306.

9 (d) The Secretary may delegate to the Commissioner the authority to renew a
10 certificate to any health insurer or nonprofit health service plan regulated under [Article
11 48A of the Code] THE INSURANCE ARTICLE or health maintenance organization issued
12 a certificate of authority in accordance with Subtitle 7 of this title that meets the
13 requirements of this subtitle and all applicable regulations of the Secretary.

14 19-1501.

15 (c) "Comprehensive standard health benefit plan" means the comprehensive
16 standard health benefit plan adopted in accordance with [Article 48A, § 700 of the
17 Code] § 15-1207 OF THE INSURANCE ARTICLE.

18 (h) "Payor" means:

19 (1) A health insurer or nonprofit health service plan that holds a certificate
20 of authority and provides health insurance policies or contracts in the State in accordance
21 with this article or [Article 48A of the Code] THE INSURANCE ARTICLE;

22 (2) A health maintenance organization that holds a certificate of authority
23 in the State; or

24 (3) A third party administrator as defined in [Article 48A, § 490R of the
25 Code] § 15-111 OF THE INSURANCE ARTICLE.

26 19-1502.

27 (c) The purpose of the Commission is to:

28 (5) Develop a uniform set of effective benefits to be included in the
29 comprehensive standard health benefit plan to apply under [Subtitle 55 of Article 48A of
30 the Code] TITLE 15, SUBTITLE 12 OF THE INSURANCE ARTICLE;

31 19-1507.

32 (i) The Commission, in consultation with the Insurance Commissioner, payors,
33 health care practitioners, and hospitals, may adopt by regulation standards for the
34 electronic submission of data and submission and transfer of the uniform claims forms
35 established under [Article 48A, § 490P of the Code] § 15-1003 OF THE INSURANCE
36 ARTICLE.

37 19-1509.

38 (a) (3) "Payor" means:

28

1 (i) A health insurer or nonprofit health service plan that holds a
2 certificate of authority and provides health insurance policies or contracts in the State in
3 accordance with [Article 48A of the Code] THE INSURANCE ARTICLE or the Health -
4 General Article;

5 19-1510.

6 (a) In addition to the duties set forth elsewhere in this subtitle, the Commission
7 shall adopt regulations specifying the comprehensive standard health benefit plan to
8 apply under [Subtitle 55 of Article 48A of the Code] TITLE 15, SUBTITLE 12 OF THE
9 INSURANCE ARTICLE.

10 (b) In carrying out its duties under this section, the Commission shall comply with
11 the provisions of [Article 48A, § 700 of the Code] § 15-1207 OF THE INSURANCE
12 ARTICLE.

13 19-1515.

14 (c) (1) The fees assessed on payors in accordance with [Article 48A, § 490R of
15 the Code] § 15-111 OF THE INSURANCE ARTICLE shall be apportioned among each
16 payor based on the ratio of each such payor's total premiums collected in the State to the
17 total collected premiums of all such payors in the State.

18 **Article - Health Occupations**

19 1-208.

20 (a) (3) "Third party payor" means any person that administers or provides
21 reimbursement for health care benefits on an expense incurred basis including:

22 (ii) A health insurer or nonprofit health service plan authorized to
23 offer health insurance policies or contracts in this State in accordance with [Article 48A
24 of the Code] THE INSURANCE ARTICLE; or

25 (iii) A third party administrator registered under [Article 48A of the
26 Code] THE INSURANCE ARTICLE.

27 (4) "Uniform claims form" means the claim or billing form for
28 reimbursement of services rendered by a health care practitioner adopted by the
29 Insurance Commissioner under [§ 490P of Article 48A of the Code] § 15-1003 OF THE
30 INSURANCE ARTICLE.

31 1-305.

32 (b) If a claim, bill, or other demand or request for payment for health care
33 services is denied under § 19-712.4 of the Health - General Article or [§ 354MM, §
34 470CC, or § 477MM of Article 48A of the Code] § 15-110 OF THE INSURANCE ARTICLE,
35 the referring health care practitioner, health care entity, or other person furnishing the
36 health care services may not submit a claim, bill, or other demand or request for payment
37 to the person who received the health care services.

29

1 3-313.

2 Subject to the hearing provisions of § 3-315 of this subtitle, the Board may deny a
3 license to any applicant, reprimand any licensee, place any licensee on probation, with or
4 without conditions, or suspend or revoke a license, or any combination thereof, if the
5 applicant or licensee:

6 (23) Is convicted of insurance fraud under [Article 48A, § 233A of the
7 Code] § 27-801 OF THE INSURANCE ARTICLE;

8 7-407.

9 (a) A licensed funeral director shall provide to the surviving spouse or immediate
10 family members of the deceased or authorized representative a notice which advises that
11 certain individuals may be entitled to continuation of group health insurance benefits
12 under [Article 48A, § 490G of the Code] § 15-407 OF THE INSURANCE ARTICLE.

13 (c) A licensed funeral director who fails to provide notice under subsection (a) of
14 this section shall not be liable to any person for benefits which would have otherwise been
15 payable under [Article 48A, § 490G of the Code] § 15-407 OF THE INSURANCE ARTICLE
16 or other damages resulting from the failure to provide notice.

17 13-316.

18 Subject to the hearing provisions of § 13-317 of this subtitle, the Board may deny a
19 license, temporary license, or restricted license to any applicant, reprimand any licensee
20 or holder of a temporary license or restricted license, place any licensee or holder of a
21 temporary license or restricted license on probation, or suspend or revoke a license,
22 temporary license, or restricted license if the applicant, licensee, or holder:

23 (22) Is convicted under insurance fraud[under Article 48A, § 233A of the
24 Code] AS DEFINED IN § 27-801 OF THE INSURANCE ARTICLE; or

25 14-404.

26 (a) Subject to the hearing provisions of § 14-405 of this subtitle, the Board, on the
27 affirmative vote of a majority of its full authorized membership, may reprimand any
28 licensee, place any licensee on probation, or suspend or revoke a license if the licensee:

29 (34) Is convicted of insurance fraud [under Article 48A, § 233A of the
30 Code] AS DEFINED IN § 27-801 OF THE INSURANCE ARTICLE;

31 14-509.

32 A physician shall use the uniform laboratory referral form adopted by the Insurance
33 Commissioner under [Article 48A, § 490BB of the Code] § 15-120 OF THE INSURANCE
34 ARTICLE.

35 **Article - Labor and Employment**

36 8-603.

37 (a) Each employer shall keep posted in places readily accessible to its employees
38 printed statements that are provided without cost to the employer by the Secretary about:

30

1 (3) the right of some employees to continuation of health insurance
2 coverage under [Article 48A, § 490G of the Code] § 15-407 OF THE INSURANCE
3 ARTICLE; and

4 8-805.

5 (c) At the time a claim is made, the Secretary shall give each claimant a notice in
6 the form required by the Insurance Commissioner that states that the claimant may be
7 entitled to continuation of group health insurance benefits under [Article 48A, § 490-I of
8 the Code] § 15-409 OF THE INSURANCE ARTICLE.

9 9-309.

10 (e) The Commission may approve the form of a workers' compensation insurance
11 policy under [Article 48A, § 482E of the Code] § 19-402 OF THE INSURANCE ARTICLE.

12 9-316.

13 (a) (3) "Insurer" means:

14 (i) a stock corporation or mutual association that is authorized under
15 [Article 48A of the Code] THE INSURANCE ARTICLE to provide workers' compensation
16 insurance in the State;

17 (iv) a self-insurance group of private employers that meets the
18 requirements of [Article 48A, Subtitle 44 of the Code] TITLE 25, SUBTITLE 3 OF THE
19 INSURANCE ARTICLE; or

20 9-401.

21 (b) "Authorized insurer" means a stock corporation or mutual association that is
22 authorized under [Article 48A of the Code] THE INSURANCE ARTICLE to provide
23 workers' compensation insurance in the State.

24 9-402.

25 (a) Subject to subsections (b) through (f) of this section, each employer shall
26 secure compensation for covered employees of the employer by:

27 (4) participating in a self-insurance group of private employers that meets
28 the requirements of [Article 48A, Subtitle 44 of the Code] TITLE 25, SUBTITLE 3 OF THE
29 INSURANCE ARTICLE;

30 9-1006.

31 (d) If an insurer fails to comply with the insurance certification requirements of
32 the Commissioner 5 times in a fiscal year, the Commission may:

33 (2) request that the insurer show cause why the Insurance Commissioner
34 should not impose sanctions under [Article 48A, § 55A of the Code] § 4-113(D) OF THE
35 INSURANCE ARTICLE.

36 10-122.

37 (a) If, at any time, the amount of money in the Fund exceeds the amount that the
38 Board considers necessary for immediate use, the State Treasurer shall:

31

1 (1) invest the excess in any investment authorized under [Article 48A, §§ 97
2 through 107 of the Code] TITLE 5, SUBTITLE 6 OF THE INSURANCE ARTICLE for
3 insurance companies; or

4 10-126.

5 (b) (1) On or before October 1 of each year, the Fund shall submit to the
6 Governor:

7 (iii) information about provision for claim payment, as defined in
8 [Article 48A, § 244A(g) of the Code] § 11-330(A) OF THE INSURANCE ARTICLE, for
9 each class for which the Fund writes coverage; and

10 (2) (ii) The form shall conform as closely as possible to the form that a
11 rating organization uses to comply with [Article 48A, §§ 244G and 244Y of the Code] §§
12 11-307, 11-329, AND 11-330 OF THE INSURANCE ARTICLE.

13 **Article - Real Property**

14 10-302.

15 (a) The bond shall be payable to the State for the use and benefit of every person
16 protected by the provisions of this subtitle. The vendor or purchaser shall deposit the
17 bond with the Insurance [Division] ADMINISTRATION.

18 (b) The corporate surety bond obtained pursuant to the provisions of § 10-301(a)
19 shall be in a form approved by the Insurance [Division] ADMINISTRATION. The bond
20 may be either in the form of an individual bond for each deposit accepted by a vendor or
21 builder or if the total amount of money and deposits accepted by the builder or vendor
22 exceeds \$10,000, it may be in the form of a blanket bond assuring the return of the
23 deposits received by the vendor or builder.

24 11-111.1.

25 (g) (1) A day care provider in a condominium:

26 (i) Shall obtain the liability insurance described under [Article 48A, §
27 481D of the Code] §§ 19-106 AND 19-202 OF THE INSURANCE ARTICLE in at least the
28 minimum amount described under that statute; and

29 **Article - State Finance and Procurement**

30 3-302.

31 (b) Unless, with the approval of the Secretary, a unit of the State government
32 assigns the claim to the Central Collection Unit, the Central Collection Unit is not
33 responsible for and may not collect:

34 (8) any money that is owed under [Article 48A, Subtitle 10, 16A, 33, or 34
35 of the Code] TITLE 9, SUBTITLES 2, 3, AND 4 AND TITLE 20 OF THE INSURANCE
36 ARTICLE.

32

1 **Article - State Government**

2 9-1607.1.

3 (a) An individual who is not licensed to practice law in this State may represent a
4 party in a proceeding before the Office if:

5 (3) the individual is a designee of a corporation while appearing on its
6 behalf in an administrative proceeding held under [Article 48A, § 240AA of the Code
7 (automobile insurance)] § 27-605 OF THE INSURANCE ARTICLE; or

8 10-120.

9 (a) This Part IV of this subtitle does not apply to:

10 (4) the [Insurance Division of the Department of Labor, Licensing, and
11 Regulation] INSURANCE ADMINISTRATION;

12 10-203.

13 (a) This subtitle does not apply to:

14 (3) the following agencies of the Executive Branch of the State government:

15 (iii) the[Insurance Division of the Department of Labor, Licensing,
16 and Regulation] INSURANCE ADMINISTRATION except as specifically provided in
17 [Article 48A of the Code] THE INSURANCE ARTICLE;

18 10-302.

19 (a) This subtitle does not apply to:

20 (4) the [Insurance Division of the Department of Labor, Licensing, and
21 Regulation] INSURANCE ADMINISTRATION;

22 10-502.

23 (h) (3) "Public body" does not include:

24 (x) a self-insurance pool that is established in accordance with
25 [Article 48A, § 482B] TITLE 19, SUBTITLE 6 OF THE INSURANCE ARTICLE or § 9-404 of
26 the Labor and Employment Article by:

27 1. a public entity, as defined in [Article 48A, § 482B of the
28 Code] § 19-602 OF THE INSURANCE ARTICLE; or

29 10-616.

30 (1) Subject to the provisions of [Article 48A, § 747 of the Code] § 4-310 OF THE
31 INSURANCE ARTICLE, a custodian shall deny inspection of all RBC reports and RBC
32 plans and any other records that relate to those reports or plans.

33 **Article - Transportation**

34 15-604.

35 (a) This section does not apply to:

33

1 (2) A motor club that is in compliance with the surety bond requirement of
2 [Article 48B, § 3(b)(5) of the Code] § 26-204 OF THE INSURANCE ARTICLE.

3 17-103.

4 (b) The security required under this subtitle shall provide for at least:

5 (3) Unless waived, the benefits described under [Article 48A, § 539 of the
6 Code] § 19-505 OF THE INSURANCE ARTICLE as to basic required primary coverage; and

7 (4) The benefits required under [Article 48A, § 541 of the Code] § 19-509
8 OF THE INSURANCE ARTICLE as to required additional coverage.

9 17-105.

10 (a) If a person has been finally rejected for insurance by the Maryland
11 Automobile Insurance Fund under [Article 48A, § 243D of the Code] § 27-504 OF THE
12 INSURANCE ARTICLE, the person shall, within 10 days after the rejection, furnish
13 evidence satisfactory to the Administration that he has obtained and is covered by the
14 required security.

15 17-209.

16 (e) A judgment debtor under [Article 48A, § 243H of the Code] TITLE 20,
17 SUBTITLE 6 OF THE INSURANCE ARTICLE who has been suspended at least 3 times
18 under subsection (c) may not resume the privilege of installment payments unless:

19 (1) The fund receives payment in an amount satisfactory to the fund; and

20 (2) The fund consents to the resumption of installment payments.

21 26-404.

22 (a) (4) "Motor club" has the meaning stated in [Article 48B, § 1 of the Code]
23 § 26-101 OF THE INSURANCE ARTICLE.

24 (5) "Surety company" means any company designated as a surety company
25 under [Article 48A, Subtitle 29 of the Code] TITLE 21 OF THE INSURANCE ARTICLE.

26 (d) Any surety company may become surety for persons posting guaranteed arrest
27 bond certificates, by filing an undertaking to become surety with the [State Insurance
28 Division] INSURANCE ADMINISTRATION.

29 SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland
30 read as follows:

31 **Article - Health - General**

32 19-706.

33 (l) The provisions of [Article 48A, § 490JJ of the Code] § 15-116 OF THE
34 INSURANCE ARTICLE apply to health maintenance organizations.

35 SECTION 6. AND BE IT FURTHER ENACTED, That the Laws of Maryland
36 read as follows:

34

1 **Article - Health - General**

2 19-1515.

3 (c) (1) The fees assessed on payors in accordance with [Article 48A, § 490R of
4 the Code] § 15-111 OF THE INSURANCE ARTICLE shall be apportioned among each
5 payor based on the ratio of each payor's total premiums collected in the State to the total
6 collected premiums of all payors in the State.

7 SECTION 7. AND BE IT FURTHER ENACTED, That the Laws of Maryland
8 read as follows:

9 **Article - Insurance**

10 4-112.

11 (e) (3) In addition to the monetary penalties imposed under this subsection, on
12 July 1 of each year, for each insurer that fails to file its renewal application and
13 continuation fee on or before June 30, the Commissioner may:

14 (i) order that the insurer cease and desist from engaging further from
15 the writing of insurance in this State in accordance with [§ 55] § 4-114 of this article; or

16 DRAFTER'S NOTE:

17 %Error: Incorrect cross-reference in § 4-112(e)(3)(i) of the Insurance Article.

18 Occurred: Ch. 456, Acts of 1996.

19 5-304.

20 (b) For an ordinary policy of life insurance issued on the standard basis, excluding
21 any disability and accidental death benefits in the policy, the applicable table for the
22 minimum standard for the valuation of the policy is:

23 (1) if the policy was issued before the operative date of [§ 15-308(c) [48A §
24 414(j)]] § 16-308 of this article, the Commissioners 1941 Standard Ordinary Mortality
25 Table;

26 (2) if the policy was issued on or after the operative date of [§ 15-308(c)
27 [48A § 414(j)]] § 16-308 of this article but before the operative date of [§ 15-309 [48A §
28 414(k-1)]]§ 16-309 of this article:

29 (i) the Commissioners 1958 Standard Ordinary Mortality Table; or

30 (ii) at the election of the insurer, the Commissioners 1958 Standard
31 Ordinary Mortality Table, calculating all modified net premiums and present values
32 referred to in this subtitle for any category of policies issued on female risks according to
33 an age not more than 6 years younger than the actual age of the insured; and

34 (3) if the policy was issued on or after the operative date of [§ 15-309 [48A
35 § 414(k-1)]]§ 16-309 of this article:

36 (i) the Commissioners 1980 Standard Ordinary Mortality Table or, at
37 the election of the insurer for any one or more specified plans of life insurance, the

35

1 Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality
2 Factors; or

3 (ii) any ordinary mortality table, adopted after 1980 by the National
4 Association of Insurance Commissioners and approved by a regulation of the
5 Commissioner for use in determining the minimum standard of valuation for the policy.

6 (c) For an industrial life insurance policy issued on the standard basis, excluding
7 any disability and accidental death benefits in the policy, the applicable table for the
8 minimum standard for the valuation of the policy is:

9 (1) if the policy was issued before the operative date of [§ 15-308(d) [48A
10 § 414(k)]]§ 16-308(D) of this article, the 1941 Standard Industrial Mortality Table; and

11 (2) if the policy was issued on or after the operative date of [§
12 15-308(d)[48A § 414(k)]]§ 16-308(D) of this article:

13 (i) the Commissioners 1961 Standard Industrial Mortality Table; or

14 (ii) any industrial mortality table, adopted after 1980 by the National
15 Association of Insurance Commissioners and approved by regulation of the
16 Commissioner for use in determining the minimum standard of valuation for the policy.

17 DRAFTER'S NOTE:

18 %Error: Incorrect cross-references in § 5-304(b) and (c) of the Insurance
19 Article.

20 Occurred: Ch. 36, Acts of 1995.

21 6-105.

22 (b) A person that is subject to taxation under this subtitle may claim a tax credit
23 against the tax imposed for neighborhood and community assistance contributions as
24 provided under Article 83B,[§ 11-1004] § 4-704 of the Code.

25 DRAFTER'S NOTE:

26 %Error: Incorrect cross-reference in § 6-105(b) of the Insurance Article.

27 Occurred: Ch. 636, Acts of 1996.

28 8-301.

29 (f) (2) "Plan" does not include a fund or arrangement established or
30 maintained solely for the purpose of complying with the [worker's] WORKERS'
31 compensation laws of the State.

32 DRAFTER'S NOTE:

33 %Error: Grammatical error in § 8-301(f)(2) of the Insurance Article.

34 Occurred: Ch. 456, Acts of 1996.

36

1 8-308.

2 (b) Before a registration expires, the registrant may renew it for an additional
3 1-year term, if the registrant:

4 (4) except as provided in § 8-306(d) of this subtitle, [file] FILES with the
5 Commissioner evidence of a bond in compliance with § 8-306 of this subtitle.

6 DRAFTER'S NOTE:

7 %Error: Grammatical error in § 8-308(b)(4) of the Insurance Article.

8 Occurred: Ch. 36, Acts of 1995.

9 8-403.

10 (b) (1) In addition to the provisions of this subtitle, the following provisions of
11 this article apply to societies to the extent not in conflict with the express provisions and
12 reasonable implications of this subtitle:

13 (i) Title 1 of this article[("Definitions; General Provisions")];

14 (ii) Title 2, Subtitle 1 of this article [("Organization of
15 Administration; General Powers and Duties of Commissioner")], including § 2-112 of
16 this article [("Fees")];

17 (iii) Title 2, Subtitle 2 of this article [("Enforcement")];

18 (iv) § 3-117 of this article [("Loans to and guarantees of obligations of
19 directors and officers")];

20 (v) § 3-127 of this article [("Sale of securities")];

21 (vi) § 4-102(b) of this article[("Name of insurer")];

22 (vii) § 4-113(a)(7), (8), and (9) of this article [("Mandatory
23 grounds")];

24 (viii) § 4-203 of this article [("Representing or helping unauthorized
25 insurer prohibited")];

26 (ix) § 4-204 of this article [("Advertisement of unauthorized
27 insurers")];

28 (x) § 5-103 of this article [("Liabilities")];

29 (xi) § 5-201 of this article [("Reserve requirements for life insurer,
30 nonprofit health service plan, and fraternal benefit society")];

31 (xii) Title 9, Subtitle 2 of this article [("Conservation, Rehabilitation,
32 and Liquidation of Insurers")];

33 (xiii) § 10-120 of this article [("Temporary certificates")];

34 (xiv) [Title 14, Subtitle X of this article (48A, §§ 468B through 468GB;
35 "Medicare Supplement Act")] TITLE 15, SUBTITLE 9 OF THIS ARTICLE;

37

1 (xv) [Title XX of this article (48A, Subtitle 15; "Unfair Trade
2 Practices")] TITLE 27 OF THIS ARTICLE; and

3 (xvi) [§ XX-XXX of this article (48A, § 12; "General penalty")] §
4 1-301 OF THIS ARTICLE.

5 DRAFTER'S NOTE:

6 %Error: Stylistic errors and incomplete cross-references in § 8-403(b)(1) of
7 the Insurance Article.

8 Occurred: Ch. 36, Acts of 1995.

9 9-201.

10 (f) "Foreign country" means territory outside of any state.

11 DRAFTER'S NOTE:

12 %Error: Grammatical error in § 9-201(f) of the Insurance Article.

13 Occurred: Ch. 11, Acts of 1996. Correction by the Michie Company in the
14 1996 Supplement to the 1995 Volume of the Insurance Article is validated by
15 this Act.

16 9-215.

17 (d) (1) At any time after issuance of an ex parte order under this [subsection]
18 SECTION, an insurer subject to the order may petition the court for a hearing and review
19 of the order.

20 DRAFTER'S NOTE:

21 %Error: Erroneous internal reference in § 9-215(d)(1) of the Insurance
22 Article.

23 Occurred: Ch. 11, Acts of 1996.

24 9-225.

25 (d) The assessment of a member or subscriber is presumed correct if made by the
26 Commissioner in accordance with a court order that:

27 (2) approves the classification and formula made by the Commissioner
28 under [subsection (a)] SUBSECTION (B) of this section.

29 DRAFTER'S NOTE:

30 %Error: Erroneous internal reference in § 9-225(d)(2) of the Insurance
31 Article.

32 Occurred: Ch. 11, Acts of 1996.

33 9-226.

34 (a) (1) If on issuance of an order of liquidation under this subtitle or at any time
35 during a liquidation proceeding the insurer is not clearly solvent, the court, after notice it

38

1 considers proper and A hearing, shall issue an order that the insurer is an impaired
2 insurer.

3 DRAFTER'S NOTE:

4 %Error: Omitted article in § 9-226(a)(1) of the Insurance Article.

5 Occurred: Ch. 11, Acts of 1996.

6 9-230.

7 (d) An officer, manager, director, trustee, owner, employee, or agent of an
8 insurer, another person with authority over any part of the affairs of the insurer, or a
9 person that exercises control directly or indirectly over an activity of the insurer through
10 a holding company or other affiliate of the insurer may not fail to cooperate with the
11 Commissioner[, under subsection (a)] UNDER SUBSECTION (B) of this section, obstruct
12 or interfere with the Commissioner in the conduct of a delinquency proceeding or in an
13 investigation preliminary or incidental to a delinquency proceeding, or violate an order of
14 the Commissioner issued under this subtitle.

15 DRAFTER'S NOTE:

16 %Error: Unnecessary comma and erroneous internal reference in § 9-230(d)
17 of the Insurance Article.

18 Occurred: Ch. 11, Acts of 1996.

19 9-409.

20 (d) (4) (ii) Because exact determinations may not always be possible, the
21 Board shall make classifications of assessments [under subsection (a) of this section] and
22 computation of assessments under this subsection with a reasonable degree of accuracy.

23 DRAFTER'S NOTE:

24 %Error: Erroneous internal reference in § 9-409(d)(4)(ii) of the Insurance
25 Article.

26 Occurred: Ch. 11, Acts of 1996.

27 9-410.

28 (a) (2) (i) If the Corporation fails to submit suitable amendments to the plan
29 of operation, the Commissioner, after notice and hearing, shall adopt reasonable
30 regulations as necessary or advisable to carry out this subtitle.

31 DRAFTER'S NOTE:

32 %Error: Grammatical error in § 9-410(a)(2)(i) of the Insurance Article.

33 Occurred: Ch. 11, Acts of 1996. Correction by the Michie Company in the
34 1996 Supplement to the 1995 Volume of the Insurance Article is validated by
35 this Act.

39

1 13-109.

2 (b) (3) If the insurer accepts the insurance, [and] within 30 days after the date
3 the indebtedness is incurred, the insurer shall cause the individual policy or group
4 certificate to be delivered to the debtor.

5 DRAFTER'S NOTE:

6 %Error: Unnecessary conjunction in § 13-109(b)(3) of the Insurance Article.
7 Occurred: Ch. 11, Acts of 1996.

8 15-115.

9 (b) A carrier that operates a managed care organization under Title 15, Subtitle 1
10 of the Health - General Article may not deny, limit, or otherwise impair the participation
11 of a provider under contract with the carrier for choosing not to participate or limiting
12 participation in the carrier's managed care organization if the carrier is in violation of [§
13 15-102.4] § 15-102.5 of the Health - General Article.

14 DRAFTER'S NOTE:

15 %Error: Incorrect cross-reference in § 15-115(b) of the Insurance Article.
16 Occurred: Ch. _____ (H.B.11), Acts of 1997, as a result of Ch. 352, Acts of
17 1996.

18 16-105.

19 (b) Each policy of life insurance or annuity contract subject to this title shall have
20 attached to or prominently printed on its face the FOLLOWING information:

21 (1) a notice to the policyholder that:

22 (i) for 10 days after the date the policy or annuity contract is delivered
23 to the policyholder, the policyholder may surrender the policy or annuity contract to the
24 insurer for cancellation by giving the insurer written notice of cancellation; and

25 (ii) the insurer shall return to the policyholder a pro rata premium for
26 the unexpired term of the policy or annuity contract; or

27 (2) a similar notice to the policyholder that in the opinion of the
28 Commissioner is not less favorable to the policyholder.

29 DRAFTER'S NOTE:

30 %Error: Omitted word in § 16-105(b) of the Insurance Article.
31 Occurred: Ch. 11, Acts of 1996.

32 16-215.

33 (b) (1) A policy of life insurance may contain a provision that excludes or
34 restricts coverage for death under any of the following circumstances:

35 (i) death as a direct or indirect result of:

40

1 4. service in the military forces or in civilian forces auxiliary to
2 the military forces; OR

3 DRAFTER'S NOTE:

4 %Error: Omitted conjunction in § 16-215(b)(1)(i)4 of the Insurance Article.
5 Occurred: Ch. 11, Acts of 1996.

6 16-313.

7 This subtitle is the ["Maryland Standard Nonforfeiture Law for Life Insurance"]
8 MARYLAND STANDARD NONFORFEITURE LAW FOR LIFE INSURANCE.

9 DRAFTER'S NOTE:

10 %Error: Unnecessary use of quotation marks in § 16-313 of the Insurance
11 Article.
12 Occurred: Ch. 11, Acts of 1996.

13 16-503.

14 (e) (2) Each annuity contract shall contain an explanation OF how benefits are
15 altered due to any additional amount that the insurer credits to the annuity contract, any
16 indebtedness to the insurer on the annuity contract, and any prior withdrawal from or
17 partial surrender of the annuity contract.

18 DRAFTER'S NOTE:

19 %Error: Omitted word in § 16-503(e)(2) of the Insurance Article.
20 Occurred: Ch. 11, Acts of 1996.

21 16-506.

22 (c) The present value under subsection (b)(1) of this section shall be calculated
23 using an interest rate not more than 1% higher than the interest rate specified in the
24 contract for accumulating net considerations to determine the maturity value.

25 DRAFTER'S NOTE:

26 %Error: Erroneous internal reference in § 16-506(c) of the Insurance Article.
27 Occurred: Ch. 11, Acts of 1996. Correction by the Michie Company in the
28 1996 Volume of the Insurance Article is validated by this Act.

29 16-509.

30 (c) Notwithstanding [§§ 16-505 through 16-509] THIS SECTION AND §§ 16-505
31 THROUGH 16-508 of this subtitle, the following supplemental benefits and considerations
32 for the benefits shall be disregarded when calculating the minimum nonforfeiture
33 amounts, paid-up annuity, cash surrender, and death benefits required under this
34 subtitle:

35 (1) benefits payable for total and permanent disability;

41

1 (2) benefits payable as reversionary annuity or deferred reversionary
2 annuity benefits; or

3 (3) other policy benefits additional to life insurance, endowment, and
4 annuity benefits.

5 DRAFTER'S NOTE:

6 %Error: Incorrect cross-references in § 16-509(c) of the Insurance Article.
7 Occurred: Ch. 11, Acts of 1996.

8 16-510.

9 This subtitle is the ["Maryland Standard Nonforfeiture Law for Individual
10 Deferred Annuities"] MARYLAND STANDARD NONFORFEITURE LAW FOR
11 INDIVIDUAL DEFERRED ANNUITIES.

12 DRAFTER'S NOTE:

13 %Error: Unnecessary use of quotation marks in § 16-510 of the Insurance
14 Article.
15 Occurred: Ch. 11, Acts of 1996.

16 17-205.

17 (a) (1) In this section the following words have the meanings indicated.

18 [(2)] (3) "Public employer" means a county, municipal corporation,
19 association of counties or municipal corporations, State college or university, or unit of
20 State, county, or municipal corporation government.

21 [(3)] (2) "Public employees association" means an association of federal,
22 State, county, or municipal corporation employees.

23 DRAFTER'S NOTE:

24 %Error: Terms in incorrect alphabetical order in § 17-205(a) of the Insurance
25 Article.
26 Occurred: Ch. 11, Acts of 1996.

27 20-202.

28 (b) (3) Except as provided in [§ 20-203(b)(3)] § 20-203(A)(3) of this subtitle,
29 the Executive Director may vote on all matters before the Board of Trustees.

30 DRAFTER'S NOTE:

31 %Error: Incorrect cross-reference in § 20-202(b)(3) of the Insurance Article.
32 Occurred: Ch. 11, Acts of 1996.

42

1 20-501.

2 (b) [In this subtitle, "covered vehicle"] "COVERED VEHICLE" includes an
3 automobile, truck, van, and trailer.

4 (c) [In this subtitle, "covered vehicle"] "COVERED VEHICLE" does not include a
5 motorcycle or motorbike.

6 DRAFTER'S NOTE:

7 %Error: Stylistic errors in § 20-501(b) and (c) of the Insurance Article.

8 Occurred: Ch. 11, Acts of 1996.

9 20-504.

10 (a) (2) [In this section, "add-on coverage"] "ADD-ON COVERAGE" includes:

11 (i) rental reimbursement coverage;

12 (ii) personal effects theft coverage;

13 (iii) collision and comprehensive deductible waiver coverage, other
14 than collision and comprehensive coverages provided by the Fund or other authorized
15 insurers;

16 (iv) supplemental hospital benefit coverage;

17 (v) emergency living expense coverage;

18 (vi) vehicle towing coverage; and

19 (vii) emergency vehicle repair service coverage.

20 (3) [In this section, "add-on coverage"] "ADD-ON COVERAGE" does not
21 include fire, life, and health insurance coverages that are not directly related to the
22 underlying motor vehicle insurance coverage and are written by an authorized insurer.

23 DRAFTER'S NOTE:

24 %Error: Stylistic errors in § 20-504(a)(2) and (3) of the Insurance Article.

25 Occurred: Ch. 11, Acts of 1996.

26 20-601.

27 (a) (1) In this section, "qualified person" means:

28 (ii) the owner of a motor vehicle registered in the State, unless the
29 owner is not a resident of the State and the motor vehicle bears temporary registration
30 plates issued under Title 13, Subtitle 6, Part I of the Transportation Article;

31 (2) [In this section, "qualified person"] "QUALIFIED PERSON" does not
32 include:

33 (i) an automobile collision insurer or other insurer that seeks by
34 subrogation to recover payment for damages to a motor vehicle or real or other personal

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1 property, or injuries to individuals under any insurance coverages, including collision,
2 fire, theft, medical payments, and uninsured motorist coverages;

3 (ii) a holder of a certificate of self-insurance under this article; or

4 (iii) an insured under a policy provision that:

5 1. provides coverage for damages sustained by the insured as a
6 result of the operation of an uninsured motor vehicle; and

7 2. is authorized to be included in an automobile liability policy
8 delivered or issued for delivery in the State.

9 DRAFTER'S NOTE:

10 %Error: Extraneous comma in § 20-601(a)(1)(ii) and stylistic error in §
11 20-601(a)(2) of the Insurance Article.

12 Occurred: Ch. 11, Acts of 1996. Correction of § 20-601(a)(1)(ii) by the
13 Michie Company in the 1996 Volume of the Insurance Article is validated by
14 this Act.

15 20-603.

16 (b) The notice of a claim shall contain:

17 (1) evidence that the claimant:

18 (ii) is not eligible for uninsured motorist coverage benefits from a
19 policy issued to the claimant or a family member who resides in the claimant's household;

20 DRAFTER'S NOTE:

21 %Error: Extraneous conjunction in § 20-603(b)(1)(ii) of the Insurance Article.
22 Occurred: Ch. 11, Acts of 1996. Correction by the Michie Company in the
23 1996 Volume of the Insurance Article is validated by this Act.

24 24-206.

25 On approval of the application for a certificate of authority, the Commissioner shall
26 issue to the Society a certificate of authority that authorizes the Society to issue:

27 (1) the following policies of casualty insurance:

28 (ii) insurance against the liability of a person for whose acts or
29 omissions a physician or other health care provider is responsible under subitem (i) of this
30 item or with whom the physician or other health care provider is associated, including
31 partners, employees, employers, associates, consultants, or a professional service
32 corporation whose stock the insured owns; AND

33 DRAFTER'S NOTE:

34 %Error: Omitted conjunction in § 24-206(1)(ii) of the Insurance Article.
35 Occurred: Ch. 11, Acts of 1996.

44

1 25-308.

2 (c) [(1)] Notwithstanding any other provision of this subtitle, after notice and
 3 opportunity for a hearing, the Commissioner may suspend or revoke the authority of a
 4 self-insurance group to operate if the Commissioner determines that the self-insurance
 5 group:

6 [(i)] (1) is insolvent;

7 [(ii)] (2) failed to pay the special fund contribution or regulatory fee
 8 imposed on the self-insurance group;

9 [(iii)] (3) failed to comply within the time set with a provision of this
 10 subtitle, a regulation adopted under this subtitle, or a lawful order of the Commissioner;

11 [(iv)] (4) obtained its authority to operate by fraud, including making a
 12 material misrepresentation in the application for authority to operate as a self-insurance
 13 group;

14 [(v)] (5) misappropriated, converted, illegally withheld, or refused to
 15 pay on proper demand moneys that have been entrusted to the self-insurance group or its
 16 administrator in its fiduciary capacity and that belong to a member of the self-insurance
 17 group, an employee of a member, or a person entitled to payment; or

18 [(vi)] (6) for any other reason, must have its authority to operate
 19 suspended or revoked to protect the members or insureds of a self-insurance group or the
 20 public.

21 DRAFTER'S NOTE:

22 %Error: Incorrect tabulation in § 25-308(c)(1) and extraneous conjunction in
 23 § 25-308(c)(1)(iv) of the Insurance Article.

24 Occurred: Ch. 11, Acts of 1996. Correction of the extraneous conjunction in
 25 § 25-308(c)(1)(iv) by the Michie Company in the 1996 Volume of the
 26 Insurance Article is validated by this Act.

27 25-405.

28 (g) (2) The homeowner's insurance policies that the Association issues may be
 29 limited to basic market value, repair cost, or actual cash value contracts for
 30 owner-occupants of one- to four-family dwellings, as approved by the Commissioner.

31 DRAFTER'S NOTE:

32 %Error: Grammatical error in § 25-405(g)(2) of the Insurance Article.

33 Occurred: Ch. 11, Acts of 1996. Correction by the Michie Company in the
 34 1996 Volume of the Insurance Article is validated by this Act.

35 26-205.

36 (b) If the Commissioner disapproves the application for a license, the
 37 Commissioner shall notify the applicant as soon as practicable of the reason for the

45

1 disapproval and inform the applicant of its right to a hearing on the matter as provided in
2 § 26-209 of this [title] SUBTITLE.

3 DRAFTER'S NOTE:

4 %Error: Stylistic error in § 26-205 (b) of the Insurance Article.

5 Occurred: Ch. 11, Acts of 1996.

6 **Article - Tax - General**

7 10-104.

8 The income tax does not apply to the income of:

9 (1) a common trust fund, as defined in § 3-501(b) of the Financial
10 Institutions Article;

11 (2) except as provided in §§ 10-101(c-1)(3) and 10-304(2) of this title, an
12 organization that is exempt from taxation under § 408(e)(1) or § 501 of the Internal
13 Revenue Code;

14 (3) a financial institution that is subject to the financial institution franchise
15 tax;

16 (4) [an insurance company, within the meaning of the meaning of Article
17 48A of the Code] A PERSON SUBJECT TO TAXATION UNDER TITLE 6 OF THE
18 INSURANCE ARTICLE;

19 (5) except as provided in § 10-102.1 of this subtitle, a partnership, as
20 defined in § 761 of the Internal Revenue Code;

21 (6) except as provided in § 10-102.1 of this subtitle and § 10-304(3) of this
22 title, an S corporation;

23 (7) except as provided in § 10-304(4) of this title, an investment conduit or
24 a special exempt entity; or

25 (8) except as provided in § 10-102.1 of this subtitle, a limited liability
26 company as defined under Title 4A of the Corporations and Associations Article to the
27 extent that the company is taxable as a partnership, as defined in § 761 of the Internal
28 Revenue Code.

29 DRAFTER'S NOTE:

30 %Error: Obsolete terminology in § 10-104(4) of the Tax - General Article.

31 Occurred: As a result of Ch. 36, Acts of 1995.

32 **Chapter 379 of the Acts of 1996**

33 SECTION 3. AND BE IT FURTHER ENACTED, That:

34 (c) any excess credits may be carried forward and, subject to the limitations
35 of [Article 48A, § 56] ARTICLE 88A, § 54 of the Code, may be applied as a credit for
36 taxable years beginning on or after January 1, 2002.

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1 DRAFTER'S NOTE:

2 %Error: Incorrect cross-reference in Section 3 of Chapter 379 of the Acts of
3 1996.

4 Occurred: Ch. 379, Acts of 1996.

5 SECTION 8. AND BE IT FURTHER ENACTED, That Section(s) 168(d) and
6 176(f) of Article 48A - Insurance Code of the Annotated Code of Maryland be repealed
7 and reenacted, with amendments, and transferred to the Session Laws, to read as follows:

8 **Agents and Brokers Licensed or Qualified on June 30, 1985**

9 [168.] 1.

10 [(d) (1)] (A) A person who was licensed or qualified to act as an agent or broker
11 on June 30, 1985 may obtain a certificate of qualification to act as an agent or broker, or
12 both, for the kind or kinds of insurance or subdivisions thereof for which that person was
13 previously licensed or qualified by filing the appropriate application for an original
14 certificate of qualification with the Commissioner and paying the fee for an original
15 agent's or broker's certificate of qualification, or both, as specified under [§ 41 of this
16 article] § 2-112 OF THE INSURANCE ARTICLE.

17 [(2)] (B) Agents and brokers shall apply for certificates according to the
18 following schedule:

19 [(i)] (1) An agent or broker who possesses a valid license as of June 30,
20 1985 shall apply for a certificate of qualification upon the first expiration or renewal date
21 of any existing license or licenses.

22 [(ii)] (2) An agent who is on June 30, 1985 qualified to act as an agent
23 but not possessing a license because of lack of agent contract shall apply for a certificate
24 of qualification on the earlier of the date of obtaining that agent's first agent contract, or
25 the date specified in subparagraph [(iii)] (3) of this paragraph.

26 [(iii)] (3) A person may not obtain a certificate of qualification based on
27 pre-July 1, 1985 qualifications after June 30, 1987.

28 REVISOR'S NOTE: This section formerly was Art. 48A, § 168(d).

29 %Former Art. 48A, § 168(d) permitted grandfathering for persons who were
30 licensed or qualified to act as an agent or broker on June 30, 1985. Because of
31 its limited and diminishing applicability, this provision is transferred to the
32 Session Laws.

33 The only changes are in style.

34 [176.] 2.

35 [(f)] Any person who has met the conditions of qualifications set forth in [this
36 section and in §§ 177 and 178 of this subtitle] TITLE 10, SUBTITLE 1 OF THE INSURANCE
37 ARTICLE on June 30, 1985 will be presumed to have met the qualification provisions.

38 REVISOR'S NOTE: This section formerly was Art. 48A, § 176(f).

47

1 Former Art. 48A, § 176(f) permitted grandfathering for persons who were
2 licensed or qualified to act as an agent or broker on June 30, 1985. Because of
3 its limited and diminishing applicability, this provision is transferred to the
4 Session Laws.
5 The only changes are in style.

6 SECTION 9. AND BE IT FURTHER ENACTED, That the Laws of Maryland
7 read as follows:

8 **Article 41 - Governor - Executive and Administrative Departments**

9 [Subtitle 4. Maryland Insurance Administration.]

10 [10-401.

11 The head of the Maryland Insurance Administration is the Maryland Insurance
12 Commissioner who shall:

13 (1) Be appointed by the Governor with the advice and consent of the
14 Senate; and

15 (2) Have the rights, powers, duties, obligations, and functions previously
16 exercised by the Insurance Commissioner within the Insurance Division.]

17 SECTION 10. AND BE IT FURTHER ENACTED, That the Laws of Maryland
18 read as follows:

19 **Article - Insurance**

20 1-202.

21 This article does not apply to:

22 (1) a fraternal benefit society, except as provided in Title 8, Subtitle 4 of this
23 article;

24 (2) a nonprofit health service plan, except as otherwise provided in this
25 article; or

26 (3) an organization that:

27 (i) is organized and operated as a nonprofit organization exclusively
28 for the purpose of helping nonprofit educational or scientific institutions by issuing
29 annuity contracts only to or for the benefit of those institutions or individuals serving
30 those institutions;

31 (ii) irrevocably appoints the Commissioner as attorney to receive
32 service of process issued against it in the State so as to bind the organization and its
33 successors and to remain in effect as long as there is in force in the State a contract or
34 obligation arising from it;

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1 (iii) is legally organized and qualified to do business and has been
2 actively doing business under the laws of its state of domicile for at least 10 years before
3 July 1, 1977;

4 (iv) files with the Commissioner a copy of any contract form issued to
5 residents of this State;

6 (v) files with the Commissioner on or before March 1 of each year:

7 1. a copy of its annual statement prepared under the laws of its
8 state of domicile; and

9 2. any other financial material that the Commissioner requests;

10 (vi) agrees to submit to periodic examinations as the Commissioner
11 considers necessary; and

12 (vii) pays the premium tax imposed by Title 6 of this article on all
13 premiums allocable to this State for life insurance and health insurance in effect for
14 residents of this State[]; or

15 (4) a voluntary noncontractual religious publication arrangement that:

16 (i) is a nonprofit religious organization for which the State may not be
17 held in any way liable or responsible for any of its debts, claims, obligations, or liabilities;

18 (ii) publishes a newsletter whose subscribers are limited to members of
19 the same denomination or religion;

20 (iii) acts as an organizational clearinghouse for information between
21 subscribers who have medical costs and subscribers who choose to assist with those costs;

22 (iv) matches subscribers with a willingness to pay and subscribers with
23 present medical costs;

24 (v) coordinates payments directly from one subscriber to another;

25 (vi) suggests amounts to give that are voluntary among the subscribers,
26 with no assumption of risk or promise to pay either among the subscribers or between the
27 subscribers and the organization;

28 (vii) does not use a compensated agent, representative, or other person
29 to solicit or enroll subscribers;

30 (viii) does not make a direct or indirect representation that it is
31 operating in a financially sound manner or that it has had a successful history of meeting
32 subscribers' medical costs;

33 (ix) provides to each subscriber a written monthly statement listing
34 both the total dollar amount of qualified medical costs submitted for publication and the
35 amount actually published and assigned for payment;

36 (x) does not use funds paid by subscribers for medical costs to cover
37 administrative costs;

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1 (xi) submits a registration statement, including a copy of any
 2 application forms and guidelines, promotional, or informational material distributed by or
 3 on behalf of the arrangement, to the Secretary of State in accordance with the provisions
 4 of Title 6, Subtitle 4 of the Business Regulation Article; and

5 (xii) provides the following verbatim written disclaimer as a separate
 6 cover sheet for any and all documents distributed by or on behalf of the exempt
 7 arrangement, including applications, guidelines, promotional, or informational material
 8 and all periodic publications:

9 "Notice

10 This publication is not issued by an insurance company nor is it offered through an
 11 insurance company. It does not guarantee or promise that your medical bills will be
 12 published or assigned to others for payment. No other subscriber will be compelled to
 13 contribute toward the cost of your medical bills. Therefore, this publication should never
 14 be considered a substitute for an insurance policy. This activity is not regulated by the
 15 State Insurance Administration, and your liabilities are not covered by the Life and
 16 Health Guaranty Fund. Whether or not you receive any payments for medical expenses
 17 and whether or not this entity continues to operate, you are always liable for any unpaid
 18 bills."].

19 SECTION 11. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 20 read as follows:

21 **Article - Insurance**

22 27-208.

23 (a) (1) A person may not make or allow unfair discrimination between
 24 individuals of the same class and equal expectation of life in:

25 (i) the rates charged for a contract of life insurance or an annuity
 26 contract;

27 (ii) the dividends or other benefits payable on a contract of life
 28 insurance or an annuity contract; or

29 (iii) any of the other terms or conditions of a contract of life insurance
 30 or an annuity contract.

31 (2) (i) Notwithstanding any other provision of this section, an insurer may
 32 not make or allow a differential in ratings, premium payments, or dividends for contracts
 33 of life insurance or annuity contracts for a reason based on the blindness or other physical
 34 handicap or disability of an applicant or policyholder.

35 (ii) Actuarial justification for the differential may be considered for a
 36 physical handicap or disability other than blindness or hearing impairment.

37 (3) Unless there is actuarial justification, an insurer may not refuse to insure
 38 or make or allow a differential in ratings, premium payments, or dividends in connection
 39 with life insurance and annuity contracts solely because the applicant or policyholder has

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1 the sickle-cell trait, thalassemia-minor trait, hemoglobin C trait, Tay-Sachs trait, or a
2 genetic trait that is harmless in itself.

3 (b) (1) A person may not make or allow unfair discrimination between
4 individuals of the same class and of essentially the same hazard:

5 (i) in the amount of premium, policy fees, or rates charged for a policy
6 or contract of health insurance;

7 (ii) in the benefits payable under a policy or contract of health
8 insurance;

9 (iii) in any of the terms or conditions of a policy or contract of health
10 insurance; or

11 (iv) in any other manner.

12 (2) Notwithstanding any other provision of this section, an insurer may not
13 make or allow a differential in ratings, premium payments, or dividends for a reason
14 based on the sex of an applicant or policyholder unless there is actuarial justification for
15 the differential.

16 (3) (i) [Except as provided in § 27-909 of this title and notwithstanding]
17 NOTWITHSTANDING any other provision of this section, an insurer may not make or
18 allow a differential in ratings, premium payments, or dividends for contracts of health
19 insurance for a reason based on the blindness or other physical handicap or disability of
20 an applicant or policyholder.

21 (ii) [Except as provided in § 27-909 of this title, actuarial]
22 ACTUARIAL justification for the differential may be considered for a physical handicap or
23 disability other than blindness or hearing impairment.

24 (4) UNLESS THERE IS ACTUARIAL JUSTIFICATION, AN INSURER MAY
25 NOT MAKE OR ALLOW A DIFFERENTIAL IN RATINGS, PREMIUM PAYMENTS, OR
26 DIVIDENDS IN CONNECTION WITH A HEALTH INSURANCE CONTRACT SOLELY
27 BECAUSE THE APPLICANT OR POLICYHOLDER HAS THE SICKLE-CELL TRAIT,
28 THALASSEMIA-MINOR TRAIT, HEMOGLOBIN C TRAIT, TAY-SACHS TRAIT, OR A
29 GENETIC TRAIT THAT IS HARMLESS IN ITSELF.

30 SECTION 12. AND BE IT FURTHER ENACTED, That the Laws of Maryland
31 read as follows:

32 **Article - Insurance**

33 16-114.

34 (c) (1) On application, the Commissioner may issue a special permit to make
35 agreements for annuity payments with donors to an educational or religious organization
36 not conducted for profit and engaged SOLELY in bona fide educational or religious
37 activities, to a hospital in the State, or to a community foundation if the educational or
38 religious organization, hospital, or community foundation:

51

1 (i) except as provided in paragraph (2) of this subsection, has been in
2 active operation in the State for at least 10 years before issuance of the special permit;
3 and

4 (ii) has been granted exemption from federal income taxation under §
5 501 of the Internal Revenue Code.

6 SECTION 13. AND BE IT FURTHER ENACTED, That the Laws of Maryland
7 read as follows:

8 **Article - Insurance**

9 18-106.

10 (b) The outline of coverage shall include:

11 (1) a description of the principal benefits and coverage provided in the
12 policy or contract;

13 (2) a statement of the principal exclusions, reductions, and limitations in the
14 policy or contract;

15 (3) a statement of the renewal provisions, including any reservation in the
16 policy or contract of a right to change the schedule of premiums;

17 (4) [a statement as to whether the policy or contract is approved under the
18 Maryland Partnership for Long-Term Care Program under Title 15, Subtitle 4 of the
19 Health - General Article;

20 (5)] a statement that the outline of coverage is a summary of the policy or
21 contract issued or applied for and the policy or contract should be consulted to determine
22 the governing contractual provisions; and

23 [(6)] (5) any expected premium increases or additional premiums to pay for
24 automatic or optional benefit increases, including a reasonable hypothetical or graphic
25 demonstration of the potential premiums that the applicant will need to pay at age 75 for
26 benefit increases.

27 18-107.

28 A certificate that is issued under group long-term care insurance shall include:

29 (1) a description of the principal benefits and coverage provided in the
30 policy or contract;

31 (2) a statement of the principal exclusions, reductions, and limitations of
32 coverage in the policy or contract; AND

33 (3) a statement that the group master policy or contract determines the
34 governing contractual provisions[]; and

35 (4) a statement as to whether the policy or contract is approved under the
36 Maryland Partnership for Long-Term Care Program under Title 15, Subtitle 4 of the
37 Health - General Article].

52

1 SECTION 14. AND BE IT FURTHER ENACTED, That the Laws of Maryland
2 read as follows:

3 **Article - Insurance**

4 18-106.

5 (b) The outline of coverage shall include:

6 (1) a description of the principal benefits and coverage provided in the
7 policy or contract;

8 (2) a statement of the principal exclusions, reductions, and limitations in the
9 policy or contract;

10 (3) a statement of the renewal provisions, including any reservation in the
11 policy or contract of a right to change the schedule of premiums;

12 (4) A STATEMENT AS TO WHETHER THE POLICY OR CONTRACT IS
13 APPROVED UNDER THE MARYLAND PARTNERSHIP FOR LONG-TERM CARE
14 PROGRAM UNDER TITLE 15, SUBTITLE 4 OF THE HEALTH - GENERAL ARTICLE;

15 [(4)] (5) a statement that the outline of coverage is a summary of the policy
16 or contract issued or applied for and the policy or contract should be consulted to
17 determine the governing contractual provisions; and

18 [(5)] (6) any expected premium increases or additional premiums to pay for
19 automatic or optional benefit increases, including a reasonable hypothetical or graphic
20 demonstration of the potential premiums that the applicant will need to pay at age 75 for
21 benefit increases.

22 18-107.

23 A certificate that is issued under group long-term care insurance shall include:

24 (1) a description of the principal benefits and coverage provided in the
25 policy or contract;

26 (2) a statement of the principal exclusions, reductions, and limitations of
27 coverage in the policy or contract; [and]

28 (3) a statement that the group master policy or contract determines the
29 governing contractual provisions; AND

30 (4) A STATEMENT AS TO WHETHER THE POLICY OR CONTRACT IS
31 APPROVED UNDER THE MARYLAND PARTNERSHIP FOR LONG-TERM CARE
32 PROGRAM UNDER TITLE 15, SUBTITLE 4 OF THE HEALTH - GENERAL ARTICLE.

33 SECTION 15. AND BE IT FURTHER ENACTED, That the Laws of Maryland
34 read as follows:

1 **Article - Insurance**

2 2-105.

3 (E) ON OR BEFORE JANUARY 31 OF EACH YEAR, THE COMMISSIONER SHALL
4 REPORT TO THE SECRETARY AND, SUBJECT TO § 2-1312 OF THE STATE GOVERNMENT
5 ARTICLE, TO THE GENERAL ASSEMBLY SETTING FORTH ALL STAFF POSITIONS,
6 CLASSIFICATIONS, AND SALARIES IN THE ADMINISTRATION AS OF THE END OF THE
7 PRECEDING CALENDAR YEAR.

8 REVISOR'S NOTE: This subsection formerly was Art. 48A, § 18(b)(5).

9 %The only changes are in style.

10 Defined terms: "Administration" § 1-101

11 "Commissioner" § 1-101

12 2-109.

13 (C) IN ADDITION TO ANY OTHER PENALTY PROVIDED, A PERSON THAT
14 WILLFULLY VIOLATES A REGULATION ADOPTED UNDER THIS ARTICLE IS SUBJECT
15 TO ANY APPLICABLE PENALTY UNDER THIS ARTICLE FOR VIOLATION OF THE
16 PROVISION TO WHICH THE REGULATION RELATES.

17 REVISOR'S NOTE: This subsection formerly was Art. 48A, § 26(2).

18 %The only changes are in style.

19 Defined term: "Person" § 1-101

20 10-104.

21 (F) AN APPLICANT MAY QUALIFY AS TO ANY PARTICULAR KIND OR KINDS OF
22 INSURANCE AND MAY REQUEST A CERTIFICATE OF QUALIFICATION TO ACT AS AN
23 AGENT OR BROKER OR BOTH.

24 REVISOR'S NOTE: This subsection formerly was Art. 48A, § 176(c)(1).

25 %The only changes are in style.

26 Defined terms: "Agent" § 1-101

27 "Broker" § 1-101

28 "Certificate of qualification" § 10-101

29 "Insurance" § 1-101

30 10-105.

31 (F) AN APPLICANT MAY QUALIFY AS TO ANY PARTICULAR KIND OR KINDS OF
32 INSURANCE AND MAY REQUEST A CERTIFICATE OF QUALIFICATION TO ACT AS AN
33 AGENT OR BROKER OR BOTH.

34 REVISOR'S NOTE: This subsection formerly was Art. 48A, § 176(c)(1).

54

1 The only changes are in style.
2 Defined terms: "Agent" § 1-101
3 "Broker" § 1-101
4 "Certificate of qualification" § 10-101
5 "Insurance" § 1-101

6 11-212.

7 (A) EACH FILER SHALL PROVIDE REASONABLE MEANS WITHIN THE STATE BY
8 WHICH A PERSON AGGRIEVED BY THE APPLICATION OF ITS RATING SYSTEM MAY BE
9 HEARD IN PERSON OR BY AN AUTHORIZED REPRESENTATIVE ON THE PERSON'S
10 WRITTEN REQUEST TO REVIEW THE MANNER IN WHICH THE RATING SYSTEM HAS
11 BEEN APPLIED IN CONNECTION WITH THE INSURANCE AFFORDED THE AGGRIEVED
12 PERSON.

13 (B) IF THE FILER FAILS TO GRANT OR REJECT THE AGGRIEVED PERSON'S
14 REQUEST WITHIN 30 DAYS AFTER IT IS MADE, THE APPLICANT MAY PROCEED AS IF
15 THE APPLICATION HAD BEEN REJECTED.

16 (C) WITHIN 30 DAYS AFTER WRITTEN NOTICE OF THE ACTION OF A FILER ON
17 A REQUEST FOR REVIEW, ANY PERSON AFFECTED BY THE ACTION MAY APPEAL TO
18 THE COMMISSIONER.

19 (D) (1) THE COMMISSIONER SHALL HOLD A HEARING ON THE ACTION OF
20 THE FILER.

21 (2) THE COMMISSIONER SHALL GIVE WRITTEN NOTICE OF THE
22 HEARING TO THE APPELLANT AND FILER AT LEAST 10 DAYS BEFORE THE HEARING.

23 (3) AFTER THE HEARING, THE COMMISSIONER MAY AFFIRM OR
24 REVERSE THE ACTION.

25 REVISOR'S NOTE: This section formerly was Art. 48A, § 242(k).

26 %The only changes are in style.
27 Defined terms: "Commissioner" § 1-101
28 "Insurance" § 1-101
29 "Person" § 1-101

30 SECTION ~~45-~~ 16, AND BE IT FURTHER ENACTED, That §§ 18-106(b) and
31 18-107 of the Insurance Article, as enacted by Section 13 of this Act, are subject to the
32 provisions of Section 2 of Chapter 513 of the Acts of the General Assembly of 1993, as
33 amended by Chapter 442 of the Acts of the General Assembly of 1996. Section 14 of this
34 Act is contingent on the taking effect of the provisions specified in Section 2 of Chapter
35 513 of the Acts of the General Assembly of 1993, as amended by Chapter 442 of the Acts
36 of the General Assembly of 1996. If these contingencies occur, Section 14 shall take
37 effect.

1 SECTION ~~46-~~ 17. AND BE IT FURTHER ENACTED, That the provisions of
2 Sections 4, 5, and 6 of this Act are intended solely to make technical corrections in the
3 current law required by the enactment of the Insurance Article (as enacted by Chapter 36
4 of the Acts of the General Assembly of 1995, Chapter 11 of the Acts of the General
5 Assembly of 1996, and Chapter_____ (H.B. 11) of the Acts of the General Assembly of 1997)
6 and there is no intent for Sections 4, 5, and 6 of this Act to revive or otherwise affect law
7 that is the subject of other Acts, whether those Acts were signed by the Governor before
8 or after this Act.

9 SECTION ~~47-~~ 18. AND BE IT FURTHER ENACTED, That, subject to the
10 approval of the Director of Legislative Reference, the publishers of the Annotated Code
11 of Maryland shall propose the correction of cross-references that are rendered incorrect
12 by this Act.

13 SECTION ~~48-~~ 19. AND BE IT FURTHER ENACTED, That the Drafter's Notes
14 and Revisor's Notes contained in this Act are not law and may not be considered to have
15 been enacted as part of this Act.

16 SECTION ~~49-~~ 20. AND BE IT FURTHER ENACTED, That, at the end of
17 September 30, 1998, and with no further action required by the General Assembly, §
18 27-908 of the Insurance Article, as enacted by Chapter_____ (H.B. 11) of the Acts of the
19 General Assembly of 1997, shall be void. This section supersedes the termination and
20 abrogation provisions of Section 16 of Chapter 352 of the Acts of the General Assembly
21 of 1995.

22 SECTION ~~20-~~ 21. AND BE IT FURTHER ENACTED, That, at the end of
23 September 30, 2002, and with no further action required by the General Assembly, §
24 27-909 of the Insurance Article, as enacted by Chapter_____ (H.B. 11) of the Acts of the
25 General Assembly of 1997, shall be void. This section supersedes the termination and
26 abrogation provisions of Section 2 of Chapter 24 of the Acts of the General Assembly of
27 1996.

28 SECTION ~~24-~~ 22. AND BE IT FURTHER ENACTED, That, at the end of
29 December 31, 2001, and with no further action required by the General Assembly, §
30 2-112(a)(15) of the Insurance Article, as enacted by Chapter 36 of the Acts of the
31 General Assembly of 1995, as amended by Chapters 189 and 271 of the Acts of the
32 General Assembly of 1996 as enacted by Section 1 of this Act, shall be void and §
33 2-112(a)(17) of the Insurance Article, as enacted by Section 2 of this Act, shall take
34 effect. This section supersedes the termination and abrogation provisions of Section 7 of
35 Chapter 271 of the Acts of the General Assembly of 1996, as it relates to § 2-112(a)(15).

36 SECTION ~~22-~~ 23. AND BE IT FURTHER ENACTED, That, at the end of
37 September 30, 2002, and with no further action required by the General Assembly, §
38 19-706(k) of the Health - General Article shall be void and § 19-706(l) of the Health -
39 General Article, as enacted by Section 5 of this Act, shall take effect. This section
40 supersedes the termination and abrogation provisions of Section 2 of Chapter 24 of the
41 Acts of the General Assembly of 1996.

42 SECTION ~~23-~~ 24. AND BE IT FURTHER ENACTED, That, at the end of May 31,
43 1998, and with no further action required by the General Assembly, § 19-1515(c)(1) of
44 the Health - General Article shall be void and § 19-1515(c)(1) of the Health - General

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1 Article, as enacted by Section 6 of this Act, shall take effect. This section supersedes the
2 termination and abrogation provisions of Section 3 of Chapter 462 of the Acts of the
3 General Assembly of 1995.

4 SECTION ~~24~~, 25, AND BE IT FURTHER ENACTED, That, at the end of
5 September 30, 1998, and with no further action required by the General Assembly, §
6 1-202 of the Insurance Article, as enacted by Chapter _____ (H.B. 11) of the Acts of the
7 General Assembly of 1997, shall be void and § 1-202 of the Insurance Article, as enacted
8 by Section 10 of this Act, shall take effect. This section supersedes the termination and
9 abrogation provisions of Section 4 of Chapter 544 of the Acts of the General Assembly of
10 1995.

11 SECTION ~~25~~, 26, AND BE IT FURTHER ENACTED, That, at the end of
12 September 30, 2002, and with no further action required by the General Assembly, §
13 27-208 of the Insurance Article, as enacted by Chapter _____ (H.B. 11) of the Acts of the
14 General Assembly of 1997, shall be void and § 27-208 of the Insurance Article, as enacted
15 by Section 11 of this Act, shall take effect. This section supersedes the termination and
16 abrogation provisions of Section 2 of Chapter 24 of the Acts of the General Assembly of
17 1996.

18 SECTION ~~26~~, 27, AND BE IT FURTHER ENACTED, That, at the end of
19 September 30, 1999, and with no further action required by the General Assembly, §
20 16-114(c)(1) of the Insurance Article, as enacted by Chapter 11 of the Acts of the
21 General Assembly of 1996, shall be void and § 16-114(c)(1) of the Insurance Article, as
22 enacted by Section 12 of this Act, shall take effect. This section supersedes the
23 termination and abrogation provisions of Section 2 of Chapter 490 of the Acts of the
24 General Assembly of 1993, as amended by Chapter 148 of the Acts of the General
25 Assembly of 1995.

26 SECTION ~~27~~, 28, AND BE IT FURTHER ENACTED, That, except for Sections 2,
27 5, 6, 10, 11, 12, and 14 of this Act, this Act shall take effect October 1, 1997.