

BY: Conference Committee

AMENDMENTS TO HOUSE BILL NO. 980
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, after "Corporation;" insert "increasing the number of members on the Board for the Fund; increasing the number of Board members that must concur for the Board to act; prohibiting a member from serving more than two terms under certain circumstances; repealing the requirement that the board appoint an executive vice president;"; in line 7, strike "certain provisions" and substitute "a certain provision"; in the same line, strike "subject" and substitute "subjects"; strike beginning with "requiring" in line 21 through "Administration" in line 22 and substitute "requiring the Fund to be examined in accordance with provisions of the Insurance Article relating to the examination of an insurer's affairs, transactions, accounts, records, and assets; requiring the Fund to be subject to certain regulatory provisions of the Insurance Article; prohibiting the Insurance Commissioner from taking a certain action except under certain circumstances; allowing the Insurance Commissioner to examine or review the Fund for compliance with certain laws; requiring the Insurance Commissioner to report to the Board on the results of a certain examination or review"; in line 23, strike "meet" and substitute "meets"; and in line 24, after "corporation;" insert "providing that a certain service does not count toward a certain term limitation;".

On page 2, strike line 3 in its entirety and substitute "Section 10-101, 10-105, 10-110, 10-112, 10-113(a), 10-118, 10-122, and 10-125"; strike line 8 in its entirety and substitute "Section 10-119 and 10-124"; and strike in their entirety lines 11 through 15.

AMENDMENT NO. 2

On page 2, after line 18 insert:

"10-101.

(a) In this subtitle the following words have the meanings indicated.

(Over)

(B) "ADMINISTRATION" MEANS THE MARYLAND INSURANCE ADMINISTRATION.

[(b)] (C) "Board" means the Board for the Injured Workers' Insurance Fund.

(D) "COMMISSIONER" MEANS THE MARYLAND INSURANCE COMMISSIONER.

[(c)] (E) "Fund" means the Injured Workers' Insurance Fund.

[(d)] (F) "Policyholder" means an employer who holds a policy of insurance under this subtitle.

[(e)] (G) (1) "Wage" means all earnings that are due to an employee for employment.

(2) "Wage" includes:

(i) a bonus;

(ii) overtime pay;

(iii) a share of profits; and

(iv) if, at the time of hiring, an employer and employee set a dollar value for board or a similar advantage, the advantage."

On page 3, after line 11 insert "TITLE 10, SUBTITLE 6, PART III OF THE STATE GOVERNMENT ARTICLE;"; in line 12, before "Title" insert "(II)"; and in lines 13 and 14, strike "(II)" and "(III)", respectively, and substitute "(III)" and "(IV)", respectively.

On page 3, after line 19, insert:

"10-110.

(a) The Board consists of [7] 9 members appointed by the Governor with the advice and consent of the Senate.

(b) Each member shall be a citizen of the State.

(c) Before taking office, each appointee to the Board shall take the oath required by Article I, § 9 of the Maryland Constitution.

(d) (1) The term of a member is 5 years.

(2) The terms of members are staggered as required by the terms provided for members of the Board on October 1, 1991.

(3) At the end of a term, a member continues to serve until a successor is appointed and qualifies.

(4) A member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed and qualifies.

(5) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, A MEMBER MAY NOT SERVE FOR MORE THAN TWO TERMS PROVIDED THAT SERVICE FOR A PARTIAL TERM OF 1 YEAR OR LESS MAY NOT BE COUNTED TOWARD THE TWO-TERM LIMITATION.

(e) The Governor may remove a member for incompetence or misconduct.

10-112.

(a) The Board may not act on any matter unless at least [4] 5 members concur.

(b) Each member of the Board shall devote the time needed to carry out the duties of office.

(Over)

(c) The Board shall determine the times and places of its meetings.

(d) (1) Each member of the Board is entitled to:

(i) the salary provided in the budget of the Board; and

(ii) reimbursement for expenses under the Standard State Travel Regulations, as provided in the budget of the Board.

(2) Each member of the Board shall be paid semimonthly.

10-113.

(a) The Board:

(1) shall appoint a President [and an Executive Vice President] of the Fund;

(2) shall appoint or employ attorneys to advise and represent the Fund in all legal matters and, where necessary, to sue or defend suits in the name of the Fund; and

(3) may employ other staff.”.

AMENDMENT NO. 3

On page 5, in line 2, strike “(a)”; in line 17, strike the bracket; on pages 5 through 7, strike beginning with “(a)” in line 18 on page 5 through “PRACTICES)” in line 2 on page 7 and substitute:

“(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE FUND SHALL BE:

(1) EXAMINED BY THE COMMISSIONER IN ACCORDANCE WITH §§ 2-205 AND 2-207 THROUGH 2-209 OF THE INSURANCE ARTICLE; AND

(2) SUBJECT TO THE FOLLOWING PROVISIONS OF THE INSURANCE ARTICLE:

(I) TITLE 4, SUBTITLE 3 (RISK BASED CAPITAL STANDARDS FOR INSURERS);

(II) TITLE 5, SUBTITLES 1, 2, AND 9 (ASSETS AND LIABILITIES, RESERVES, AND REINSURANCE); AND

(III) TITLE 9 (IMPAIRED ENTITIES).

(B) (1) THE COMMISSIONER MAY NOT TAKE ANY ACTION TO ENFORCE ANY PROVISION OF THE INSURANCE ARTICLE TO WHICH THE FUND IS SUBJECT UNDER SUBSECTION (A) OF THIS SECTION EXCEPT:

(I) THE COMMISSIONER MAY ISSUE AN ORDER UNDER TITLE 9 (IMPAIRED ENTITIES) OF THE INSURANCE ARTICLE; AND

(II) THE COMMISSIONER MAY TAKE ACTION AUTHORIZED UNDER §§ 4-307 AND 4-308 OF THE INSURANCE ARTICLE RELATING TO RISK BASED CAPITAL STANDARDS FOR INSURERS.

(2) ANY ORDER ISSUED UNDER THIS SUBSECTION:

(I) MAY NOT INCLUDE A REQUIREMENT THAT THE FUND INCREASE RATES; AND

(II) SHALL BE SUBJECT TO TITLE 2, SUBTITLE 2 OF THE INSURANCE ARTICLE.

(3) THE COMMISSIONER SHALL REPORT TO THE BOARD ON THE RESULTS OF ANY EXAMINATION CONDUCTED UNDER SUBSECTION (A)(1) OF THIS SECTION.

(C) (1) THE COMMISSIONER MAY EXAMINE OR REVIEW THE FUND FOR COMPLIANCE WITH:

(I) TITLE 12, SUBTITLE 1 (POLICY FORMS AND PROVISIONS);

(II) EXCEPT FOR § 19-403 (SETTING PREMIUM RATES), TITLE 19, SUBTITLE 4 (WORKERS' COMPENSATION INSURANCE); AND

(III) TITLE 27 (UNFAIR TRADE PRACTICES AND OTHER PROHIBITED PRACTICES).

(2) THE COMMISSIONER MAY NOT TAKE ANY ACTION TO ENFORCE ANY PROVISION OF THE INSURANCE ARTICLE UNDER WHICH THE COMMISSIONER HAS EXAMINED OR REVIEWED COMPLIANCE UNDER THIS SUBSECTION.

(3) THE COMMISSIONER SHALL REPORT TO THE BOARD ON THE RESULTS OF ANY EXAMINATION OR REVIEW CONDUCTED UNDER THIS SUBSECTION”.

AMENDMENT NO. 4

On page 7, after line 7, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That notwithstanding § 10-110(d)(5) of the Labor and Employment Article, as enacted under Section 1 of this Act, for any person who is a member of the Board on the effective date of this Act, the following service shall not be counted toward the two-term limitation:

(a) any service by the member prior to the effective date of this Act; and

(b) any service included in the term that is in effect for the member on the effective date of this Act.”;

and in line 8, strike “3.” and substitute “4.”.