

BY: Conference Committee

AMENDMENTS TO SENATE BILL NO. 881

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after "Fund" insert "- Regulation"; and strike beginning with "requiring" in line 6 down through "insurers" in line 20, inclusive, and substitute "prohibiting a member from serving more than two terms under certain circumstances; repealing the requirement that the board appoint an executive vice president; repealing a certain provision that subjects the Fund to certain laws; repealing the requirement that the State Treasurer is the custodian of the Fund; repealing the requirement that the State Treasurer keep the Fund separate from State money; repealing the requirement that the State Treasurer disburse money from the Fund in a certain manner; repealing certain requirements relating to the State Treasurer and Fund investments; repealing the requirement that the Legislative Auditor conduct a fiscal audit of the Fund, a compliance audit of the Fund, a statutory audit of the Fund, and a market conduct survey of the Fund; repealing the requirement that the Fund pay for the fiscal portion of the postaudit examination, the market conduct survey, and the statutory audit conducted by the Legislative Auditor; repealing the requirement that the Legislative Auditor submit the results of each audit to the Governor and to the Legislative Policy Committee; repealing the requirement that the Legislative Auditor submit the results of the market conduct survey to the Legislative Policy Committee; 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; requiring the Insurance Commissioner to ensure that the Fund meets certain solvency standards before the Fund may become a member of a certain corporation; providing that a certain service does not count toward a certain term limitation".

On page 1, in line 25, after "10-112" insert ", 10-113(a)".

(Over)

AMENDMENT NO. 2

On page 3, strike line 2 in its entirety; and in lines 3, 4, 5, and 6, strike “(ii)”, “(iii)”, “(iv)”, and “(v)”, respectively, and substitute “(I)”, “(II)”, “(III)”, and “(IV)”, respectively.

On page 3, after line 23, insert:

“(5) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, A MEMBER MAY NOT SERVE FOR MORE THAN TWO TERMS.

“(II) SERVICE FOR A PARTIAL TERM OF 1 YEAR OR LESS MAY NOT BE COUNTED TOWARD THE TWO-TERM LIMITATION.”.

On page 4, after line 5, insert:

“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 pages 5 and 6, strike beginning with “(a)” in line 7 on page 5 through “ASSEMBLY” in line 12 on page 6 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 OF THE INSURANCE ARTICLE (POLICY FORMS AND PROVISIONS);

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

(III) TITLE 27 OF THE INSURANCE ARTICLE (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 6, in lines 13 and 14, strike “: (a) The” and substitute “the”; strike beginning with “(b)” in line 18 down through “Corporation” in line 29 and substitute:

“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 30, strike “3.” and substitute “4.”.