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§14–126.

(a) (1) A corporation subject to this subtitle may not amend its certificate of incorporation, bylaws, or the terms and provisions of contracts issued or proposed to be issued to subscribers to the plan until the proposed amendments have been submitted to and approved by the Commissioner and the applicable fees required by § 2–112 of this article have been paid.

(2) (i) A corporation subject to this subtitle may not change the table of rates charged or proposed to be charged to subscribers for a form of contract issued or to be issued for health care services until the proposed change has been submitted to and approved by the Commissioner.

(ii) 1. A nonprofit health service plan that offers a health benefit plan, as defined in § 11–601 of this article, is subject to Title 11, Subtitle 6 of this article for the health benefit plan.

2. If the provisions of Title 11, Subtitle 6 of this article conflict with the provisions of this section, the provisions of Title 11, Subtitle 6 of this article shall prevail.

(3) The Commissioner shall approve an amendment to the articles of incorporation or bylaws under paragraph (1) of this subsection unless the Commissioner determines the amendment is contrary to the public interest.

(b) (1) (i) An amendment may not take effect until 60 days after it is filed with the Commissioner.

(ii) If an amendment is not accompanied by the information needed to support it and the Commissioner does not have sufficient information to determine whether the filing meets the requirements of this section, the Commissioner shall require the nonprofit health service plan to provide the needed information.

(iii) If the Commissioner requires additional information, the waiting period under this paragraph shall begin again on the date the needed information is provided.

(iv) On written application by the nonprofit health service plan, the Commissioner may authorize an amendment that the Commissioner has reviewed to become effective before the expiration of the waiting period or any extension of the waiting period or at a later date.

(2) A filing is deemed approved unless disapproved by the Commissioner within the waiting period or any extension of the waiting period.

(3) (i) The Commissioner shall disapprove or modify the proposed change if:

1. the table of rates appears by statistical analysis and reasonable assumptions to be inadequate, unfairly discriminatory, or excessive in relation to benefits; or

2. the form contains provisions that are unjust, unfair, inequitable, inadequate, misleading, or deceptive or encourage misrepresentations of the coverage.

(ii) In determining whether to disapprove or modify the form or table of rates, the Commissioner shall consider, to the extent appropriate:

1. past and prospective loss experience within and outside the State;

2. underwriting practice and judgment;

3. a reasonable margin for reserve needs;

4. past and prospective expenses, both countrywide and those specifically applicable to the State; and

5. any other relevant factors within and outside the State.

(4) On the adoption of an amendment or change, after approval by the Commissioner, the corporation shall file with the Commissioner a copy of the amendment or change that has been certified by at least two executive officers of the corporation.

(c) At any time, the Commissioner may require a nonprofit health service plan in the State to demonstrate that its filings, including the terms and provisions of its contracts, its table of rates, and its method for setting rates, comply with subsections (a) and (b) of this section, notwithstanding that the Commissioner had previously approved the filings.

(d) (1) If, after the applicable review period established under subsection (b) of this section, the Commissioner finds that a filing does not meet the requirements of this section, the Commissioner shall issue to the filer an order that specifies the ways in which the filing fails to meet the requirements of this section and states when, within a reasonable period after the order, the filing will no longer be effective.

(2) (i) The Commissioner shall hold a hearing before issuing an order under paragraph (1) of this subsection.

(ii) The Commissioner shall give written notice of the hearing to the filer at least 10 days before the hearing.

(iii) The written notice shall specify the matters to be considered at the hearing.

(3) An order issued under paragraph (1) of this subsection does not:

(i) affect a contract or policy made or issued before the expiration of the period set forth in the order; or

(ii) directly affect an existing contract or policy between a nonprofit health service plan and a subscriber established in accordance with a collective bargaining agreement.

(e) (1) The Commissioner may adopt regulations to allow a type or kind of form to be effective upon receipt of the filing by the Commissioner.

(2) If a nonprofit health service plan uses a form which becomes effective in accordance with the provisions of subparagraph (i) of this paragraph and the form would be subject to disapproval under subsection (b)(3) of this section, the Commissioner may:

(i) subsequently disapprove the form; and

(ii) impose on the nonprofit service plan a penalty under § 4–113 of this article.

(3) If a nonprofit health service plan files a form with the Commissioner which becomes effective in accordance with paragraph (1) of this subsection, the nonprofit health service plan shall pay the applicable filing fee provided in § 2–112 of this article.

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