

# SENATE BILL 665

C3

9r1561  
CF 9r1559

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By: **Senator Edwards**

Introduced and read first time: February 4, 2019

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Policy of Group Health Insurance – Associations**

3 FOR the purpose of clarifying that, for purposes of provisions of law concerning health  
4 insurance, a chamber of commerce may be considered an association; repealing  
5 certain provisions of law that apply certain provisions of law governing small group  
6 market plans to health benefit plans offered by certain entities; defining a certain  
7 term; making certain conforming changes; making a technical correction; providing  
8 for the application of this Act; providing for a delayed effective date; and generally  
9 relating to health insurance and associations.

10 BY repealing and reenacting, with amendments,  
11 Article – Insurance  
12 Section 11–601(d)(1), 15–302(c) and (d)(2), and 15–1201(i)(2)  
13 Annotated Code of Maryland  
14 (2017 Replacement Volume and 2018 Supplement)

15 BY repealing and reenacting, without amendments,  
16 Article – Insurance  
17 Section 15–302(a) and 15–1201(i)(1)  
18 Annotated Code of Maryland  
19 (2017 Replacement Volume and 2018 Supplement)

20 BY repealing  
21 Article – Insurance  
22 Section 15–1202(c)  
23 Annotated Code of Maryland  
24 (2017 Replacement Volume and 2018 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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**Article – Insurance**

2 11–601.

3 (d) (1) “Health benefit plan” means[:

4 (i)] a health insurance contract, a nonprofit health service plan  
5 contract, or a health maintenance organization contract that includes benefits for medical  
6 care[; or7 (ii) a certificate of health insurance issued or delivered to a  
8 Maryland resident under a contract issued to an association located in the State or any  
9 other state].

10 15–302.

11 (a) Group health insurance is health insurance issued to persons specified in this  
12 section to cover the groups of individuals described in this section, with or without their  
13 dependents or family members, or to cover their dependents or family members.

14 (c) (1) In this subsection[,]:

15 (I) “employee” may include a retired employee; AND

16 (II) “ASSOCIATION” MAY INCLUDE A LABOR UNION OR A  
17 CHAMBER OF COMMERCE.18 (2) A policy of group health insurance may be issued to an association[,  
19 including a labor union,] that has a constitution and bylaws and that is organized and  
20 maintained in good faith for purposes other than that of obtaining insurance, to cover  
21 members, employees, or employees of members of the association for the benefit of persons  
22 other than the association or its officers or trustees.23 (d) (2) A policy of group health insurance may be issued to the trustees of a  
24 fund established by two or more employers in the same or related industry, by one or more  
25 labor unions, by one or more employers and one or more labor unions, or by an association  
26 described in subsection [(b)] (C) of this section, to cover employees of the employers,  
27 members of the unions, members of the association, or employees of members of the  
28 association, for the benefit of persons other than the employers, unions, or association.

29 15–1201.

30 (i) (1) “Health benefit plan” means:

31 (i) a policy or certificate for hospital or medical benefits issued by  
32 an insurer;

1 (ii) a nonprofit health service plan contract; or

2 (iii) a health maintenance organization subscriber or group master  
3 contract.

4 (2) "Health benefit plan" includes a policy or certificate for hospital or  
5 medical benefits that covers residents of this State who are eligible employees and that is  
6 issued through[:

7 (i) a multiple employer trust or association located in this State or  
8 another state; or

9 (ii)] a professional employer organization, coemployer, or other  
10 organization located in this State or another state that engages in employee leasing.

11 15-1202.

12 [(c) This subtitle applies to any health benefit plan offered by an association, a  
13 professional employer organization, or any other entity, including a plan issued under the  
14 laws of another state, if the health benefit plan covers eligible employees of one or more  
15 small employers and meets the requirements of subsection (a) of this section.]

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all  
17 policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or  
18 after January 1, 2020.

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 January 1, 2020.