

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 688

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 6, after “fees;” insert “establishing a certain limitation on a certain assessment rate;”; and in line 9, after “fees;” insert “altering a certain expiration date; requiring the Insurance Administration to impose the insurance regulation fee in a certain manner;”.

AMENDMENT NO. 2

On page 10, in line 30, strike “\$45.00” and substitute “\$35.00”; and in line 34, strike “\$70.00” and substitute “\$65.00”.

AMENDMENT NO. 3

On page 11, in line 28, after “ARTICLE” insert “TO THE EXTENT IT IS ALLOCABLE TO THIS STATE AND WRITTEN DURING THE PRECEDING CALENDAR YEAR”; in lines 30 and 31, strike “ON A PREDETERMINED PERIODIC RATE BASIS”; in line 32, strike “§§ 19-701(D)(2) AND 19-706(E)” and substitute “TITLE 19, SUBTITLE 7”; and in the same line, after “ARTICLE”, insert “TO THE EXTENT IT IS ALLOCABLE TO THIS STATE AND WRITTEN DURING THE PRECEDING CALENDAR YEAR”.

AMENDMENT NO. 4

On page 12, strike beginning with “THE” in line 10 down through “STATE” in line 13 and substitute “THE INSURANCE REGULATION FEE SHALL BE AN AMOUNT THAT WILL BE ADEQUATE TO PROPERLY REGULATE THE INSURANCE BUSINESS IN THE STATE”; in line 14, strike “CONSTRUED AS A” and substitute “USED TO”; in line 15, strike “OR EXCISE” and substitute “A TAX”; and strike beginning with “IN” in line 17 down through “YEAR” in line 23 and substitute “EACH INSURER SHALL PAY AN INSURANCE REGULATION FEE THAT IS THE PRODUCT OF THE INSURER’S ADJUSTED GROSS DIRECT PREMIUM, TO THE EXTENT ALLOCABLE TO THIS STATE AND WRITTEN IN THE STATE DURING THE PRECEDING CALENDAR YEAR, MULTIPLIED BY THE BASE ASSESSMENT RATE”.

(Over)

DETERMINED UNDER SUBSECTION (D) OF THIS SECTION".

On page 13, strike in their entirety lines 1 through 3, inclusive.

AMENDMENT NO. 5

On page 12, in line 29, after "DETERMINING" insert "ADJUSTED"; in line 37, after "(D)" insert "(1)"; in line 38, after "COST" insert ", MINUS THE SUM OF ALL REVENUE PROJECTED TO BE COLLECTED BY THE COMMISSIONER UNDER § 41D(A)(2) OF THIS SUBTITLE AND ANY FUND BALANCE CARRIED FORWARD FROM THE PREVIOUS FISCAL YEAR,"; in the same line, after "OF" insert "ADJUSTED"; and after line 39, insert:

"(2) THE BASE ASSESSMENT RATE FOR THE REGULATORY FEE MAY NOT EXCEED 0.0015 OF THE TOTAL AMOUNT OF ADJUSTED NEW AND RENEWAL GROSS DIRECT PREMIUMS WRITTEN IN THE STATE BY ALL INSURERS."

AMENDMENT NO. 6

On page 14, strike in their entirety lines 11 and 12; in line 20, strike "JULY 31" and substitute "SEPTEMBER 1"; and in line 23, strike "6%" and substitute "10%".

AMENDMENT NO. 7

On page 13, strike in their entirety lines 8 through 10, inclusive, and substitute:

"(2) ALL REVENUE FROM THE IMPOSITION OF:

(I) FEES LISTED UNDER § 41 OF THIS SUBTITLE; AND

(II) ALL OTHER FEES CHARGED AGAINST ENTITIES OTHER THAN INSURERS UNDER THIS ARTICLE, ARTICLE 48B, AND THE HEALTH - GENERAL ARTICLE; AND";

in line 21, after "APPROPRIATION" insert "AGAINST THE INSURANCE REGULATION FUND"; in line 25, after "(3)" insert "(I)"; in the same line, after "GIVEN" insert "FISCAL"; in line 26, strike "REGULATION FEE" and substitute "REVENUE"; in the same line, after "COMMISSIONER" insert "UNDER THIS SUBTITLE"; in line 29, after "FORWARD" insert "WITHIN THE FUND"; and after line 31, insert:

"(II) IN ANY GIVEN FISCAL YEAR, IF THE AMOUNT OF THE

REVENUE COLLECTED BY THE COMMISSIONER UNDER THIS SUBTITLE AND DEPOSITED INTO THE FUND IS INSUFFICIENT TO COVER THE EXPENDITURES OF THE MARYLAND INSURANCE ADMINISTRATION BECAUSE OF AN UNFORESEEN EMERGENCY AND EXPENDITURES ARE MADE PURSUANT TO THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, ANY ADDITIONAL ASSESSMENT FOR THE EXPENDITURES:

1. SHALL BE MADE IN THE FOLLOWING FISCAL YEAR; AND

2. WHEN ADDED TO THE REGULAR ASSESSMENT FOR THE FOLLOWING FISCAL YEAR, MAY NOT EXCEED THE MAXIMUM PERCENTAGE FOR THE INSURANCE REGULATION FEE UNDER § 41C OF THIS SUBTITLE.”.

AMENDMENT NO. 8

On page 29, in line 20, strike “November 30” and substitute “JUNE 1”.

AMENDMENT NO. 9

On page 33, in line 27, strike “\$45.00” and substitute “\$35.00”; and in line 31, strike “\$70.00” and substitute “\$65.00”.

On page 53, in line 15, strike “\$45.00” and substitute “\$35.00”; and in line 19, strike “\$70.00” and substitute “\$65.00”.

AMENDMENT NO. 10

On page 37, in line 25, after “ARTICLE” insert “TO THE EXTENT IT IS ALLOCABLE TO THIS STATE AND WRITTEN DURING THE PRECEDING CALENDAR YEAR”; in lines 27 and 28, strike “ON A PREDETERMINED PERIODIC RATE BASIS”; in line 29, strike “§§ 19-701(D)(2) AND 19-706(E)” and substitute “TITLE 19, SUBTITLE 7”; and in the same line, after “ARTICLE” insert “TO THE EXTENT IT IS ALLOCABLE TO THIS STATE AND WRITTEN DURING THE PRECEDING CALENDAR YEAR”.

AMENDMENT NO. 11

On page 38, strike beginning with “THE” in line 8 down through “STATE” in line 11 and

(Over)

substitute “THE INSURANCE REGULATION FEE SHALL BE AN AMOUNT THAT WILL BE ADEQUATE TO PROPERLY REGULATE THE INSURANCE BUSINESS IN THE STATE”; in line 12, strike “CONSTRUED AS A” and substitute “USED TO”; in line 13, strike “OR EXCISE” and substitute “A TAX”; strike beginning with “IN” in line 15 down through “YEAR” in line 21 and substitute “EACH INSURER SHALL PAY AN INSURANCE REGULATION FEE THAT IS THE PRODUCT OF THE INSURER’S ADJUSTED GROSS DIRECT PREMIUM, TO THE EXTENT ALLOCABLE TO THIS STATE AND WRITTEN IN THE STATE DURING THE PRECEDING CALENDAR YEAR, MULTIPLIED BY THE BASE ASSESSMENT RATE DETERMINED UNDER SUBSECTION (D) OF THIS SECTION”; and strike in their entirety lines 38 through 40, inclusive.

AMENDMENT NO. 12

On page 38, in line 27, after “DETERMINING” insert “ADJUSTED”; in line 35, after “(D)” insert “(1)”; in line 36, after “COST” insert “, MINUS THE SUM OF ALL REVENUE PROJECTED TO BE COLLECTED BY THE COMMISSIONER UNDER § 41D(A)(2) OF THIS SUBTITLE AND ANY FUND BALANCE CARRIED FORWARD FROM THE PREVIOUS FISCAL YEAR,”; in the same line, after “OF” insert “ADJUSTED”; and after line 37, insert:

“(2) THE BASE ASSESSMENT RATE FOR THE REGULATORY FEE MAY NOT EXCEED 0.0015 OF THE TOTAL AMOUNT OF ADJUSTED NEW AND RENEWAL GROSS DIRECT PREMIUMS WRITTEN IN THE STATE BY ALL INSURERS.”.

AMENDMENT NO. 13

On page 40, strike in their entirety lines 8 and 9; in line 17, strike “JULY 31” and substitute “SEPTEMBER 1”; and in line 20, strike “6%” and substitute “10%”.

AMENDMENT NO. 14

On page 39, strike in their entirety lines 5 through 7, inclusive, and substitute:

“(2) ALL REVENUE FROM THE IMPOSITION OF:

(I) FEES LISTED UNDER § 2-112 OF THIS TITLE; AND

(II) ALL OTHER FEES CHARGED AGAINST ENTITIES OTHER THAN

INSURERS UNDER THIS ARTICLE AND THE HEALTH - GENERAL ARTICLE; AND”;

in line 18, after “APPROPRIATION” insert “AGAINST THE INSURANCE REGULATION FUND”; in line 22, after “(3)” insert “(I)”; in the same line, after “GIVEN” insert “FISCAL”; in line 23, strike “REGULATION FEE” and substitute “REVENUE”; in the same line, after “COMMISSIONER” insert “UNDER THIS SUBTITLE”; in line 25, after “FORWARD” insert “WITHIN THE FUND”; and after line 27, insert:

“(II) IN ANY GIVEN FISCAL YEAR, IF THE AMOUNT OF THE REVENUE COLLECTED BY THE COMMISSIONER UNDER THIS SUBTITLE AND DEPOSITED INTO THE FUND IS INSUFFICIENT TO COVER THE EXPENDITURES OF THE ADMINISTRATION BECAUSE OF AN UNFORESEEN EMERGENCY AND EXPENDITURES ARE MADE PURSUANT TO THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, ANY ADDITIONAL ASSESSMENT FOR THE EXPENDITURES:

1. SHALL BE MADE IN THE FOLLOWING FISCAL YEAR; AND

2. WHEN ADDED TO THE REGULAR ASSESSMENT FOR THE FOLLOWING FISCAL YEAR, MAY NOT EXCEED THE MAXIMUM PERCENTAGE FOR THE INSURANCE REGULATION FEE UNDER § 2-503 OF THIS SUBTITLE.”.

AMENDMENT NO. 15

On page 4, after line 20, insert:

“BY repealing and reenacting, with amendments,

Article - Insurance

Section 6-303(a)

Annotated Code of Maryland

(1995 Volume and 1996 Supplement)

(As enacted by Chapter 36 of the Acts of the General Assembly of 1995 and as enacted by

Chapter _____ (H.B. 387) of the Acts of the General Assembly of 1997)”.

(Over)

On page 42, after line 35, insert the following:

“6-303.

(a) When by or pursuant to the laws of any other state or foreign country any taxes, licenses and other fees OTHER THAN FEES SIMILAR TO THE INSURANCE REGULATION FEE, in the aggregate, and any fines, penalties, deposit requirements or other material obligations, prohibitions or restrictions are or would be imposed upon Maryland insurers, or upon the agents or representatives of such insurers, which are in excess of such taxes, licenses and other fees, in the aggregate, or which are in excess of the fines, penalties, deposit requirements or other obligations, prohibitions, or restrictions directly imposed upon the similar insurers, or upon the agents or representatives of such insurers, of such other state or country under statutes of this State, so long as such laws of such other state or country continue in force or are so applied, the same taxes, licenses and other fees, in the aggregate, or fines, penalties or deposit requirements or other material obligations, prohibitions, or restrictions of whatever kind shall be imposed by the Commissioner upon the insurers, or upon the agents or representatives of such insurers, of such other state or country doing business or seeking to do business in Maryland.”.