

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 69

(First Reading File Bill)

AMENDMENT NO. 1

In the sponsor line, strike “Senator Boozer” and substitute “Senators Boozer and Teitelbaum”.

AMENDMENT NO. 2

In line 2, strike “Qualifications of”; in the same line, after the second “Employer” insert “- Definition”; in line 5, after “Act” insert “under certain circumstances; authorizing certain persons to request documentation from certain persons for a certain purpose; providing for the effective dates of this Act; providing for the application of this Act; and generally relating to small employer group health insurance”; and after line 5, insert:

“BY repealing and reenacting, with amendments,

Article 48A - Insurance Code

Section 698(q)(1)

Annotated Code of Maryland

(1994 Replacement Volume and 1996 Supplement)

BY adding to

Article 48A - Insurance Code

Section 698(q)(9)

Annotated Code of Maryland

(1994 Replacement Volume and 1996 Supplement)

BY adding to

Article - Insurance

Section 15-1203(b)(4)

Annotated Code of Maryland

(Over)

(1995 Volume and 1996 Supplement)

(As enacted by Chapter (H.B. 11) of the Acts of the General Assembly of 1997)".

AMENDMENT NO. 3

After line 14, insert:

"Article 48A - Insurance Code

698.

(q) (1) "Small employer" means:

(i) Any person, sole proprietor, firm, corporation, partnership, or association actively engaged in business if:

1. On at least 50 percent of its working days during the preceding calendar year, employed at least two but no more than 50 eligible employees; and

2. The majority of the individuals described under item 1 of this subparagraph are employed within the State; or

(ii) Any self-employed individual who:

1. [Is] A. LIVES, WORKS, OR RESIDES IN THIS STATE; AND

B. IS an individual or sole proprietor [who derives] OR IS ORGANIZED IN ANY OTHER LEGALLY RECOGNIZED MANNER THAT A SELF-EMPLOYED INDIVIDUAL MAY ORGANIZE SUCH THAT a substantial portion of the individual's income IS DERIVED from a trade or business through which the individual or sole proprietor has attempted to earn taxable income and for which the individual has filed the appropriate Internal Revenue [Form 1040, Schedule C or F,] FORM OR FORMS AND SCHEDULE for the previous taxable year, a copy of which shall be filed with the carrier [as proof of employment]; or

2. Is an individual engaged in a licensed profession through a professional corporation organized in accordance with Title 5, Subtitle 1 of the Corporations and Associations Article and who received health benefits through a professional association prior to July

1, 1994.

(9) A CARRIER MAY REQUEST DOCUMENTATION FROM A PERSON TO VERIFY THAT THE PERSON SATISFIES THE CRITERIA UNDER PARAGRAPH (1)(I), (2)(I), (4), (5), (6), OR (7) OF THIS SUBSECTION TO BE CONSIDERED A SMALL EMPLOYER UNDER THIS SUBTITLE.”.

AMENDMENT NO. 4

Before line 15, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:”;

after line 16, insert:

“(b) (4) A CARRIER MAY REQUEST DOCUMENTATION TO VERIFY THAT A PERSON MEETS THE CRITERIA UNDER THIS SUBSECTION TO BE CONSIDERED A SMALL EMPLOYER UNDER THIS SUBTITLE.”;

in line 18, after the first “individual” insert: “:

(1) LIVES, WORKS, OR RESIDES IN THE STATE; AND

(2)”;

in lines 19, 21, and 23, strike “(1)”, “(2)”, and “(3)”, respectively, and substitute “(I)”, “(II)”, and “(III)”, respectively; in line 18, strike “or” and substitute “ORGANIZED AS A”; in the same line, after “proprietorship” insert “OR IN ANY OTHER LEGALLY RECOGNIZED MANNER THAT A SELF-EMPLOYED INDIVIDUAL MAY ORGANIZE”; strike beginning with “Form” in line 21 down through “F,” in line 22 and substitute “FORM”; in line 23, after the first “the” insert “APPROPRIATE”; in the same line, after “form” insert “OR FORMS AND SCHEDULE”; and in line 24, strike “as proof of employment”.

(Over)

AMENDMENT NO. 5

After line 24, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of Section 1 of this Act and Article 48A, § 698A of the Code, Article 48A, Subtitle 55 of the Code does not apply to the renewal of any health benefit plan that was issued prior to June 1, 1997 to a self-employed individual by an authorized insurer that does not have any health benefit plan in force on or after June 1, 1997 that provides coverage to a small employer (as that term is defined in Section 2 of Chapter 9 of the Acts of the General Assembly of 1993), and any renewal of such plan is not a renewal of a health benefit plan providing coverage to a small employer for any purpose under Article 48A, Subtitle 55 of the Code.

SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of Section 2 of this Act and § 15-1202 of the Insurance Article, Title 15, Subtitle 12 of the Insurance Article does not apply to the renewal of any health benefit plan that was issued prior to October 1, 1997 to a self-employed individual by an authorized insurer that does not have any health benefit plan in force on or after October 1, 1997 that provides coverage to a small employer (as that term is defined in Section 2 of Chapter 9 of the Acts of the General Assembly of 1993 and revised and reenacted under Chapter (H.B. 11) of the Acts of the General Assembly of 1997), and any renewal of such plan is not a renewal of a health benefit plan providing coverage to a small employer for any purpose under Title 15, Subtitle 12 of the Insurance Article.”;

in line 25, strike “2.” and substitute “5.”; in the same line, after “That” insert “Sections 1 and 3 of”; in line 26, strike “October” and substitute “June”; and after line 26, insert:

“SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section 5 of this Act, this Act shall take effect October 1, 1997.”.