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**By: The Speaker (Department of Legislative Reference - Code Revision)**

Introduced and read first time: February 17, 1997

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

**2 Insurance Article - Code Revision - Cross-References and Corrections**

3 FOR the purpose of correcting throughout the Annotated Code cross-references that will  
4 be rendered obsolete by the Insurance Article; providing for correction of  
5 cross-references generally; renumbering a certain section of the Annotated Code;  
6 correcting certain errors and omissions in the Insurance Article, in certain articles  
7 of the Annotated Code, and in certain uncodified law; validating certain corrections  
8 made by the publisher of the Annotated Code; making certain technical corrections  
9 to certain provisions of the Insurance Article; revising and transferring certain  
10 provisions of law to the Session Laws; repealing certain obsolete provisions of law;  
11 conforming terminology; making stylistic changes; providing for the effect of certain  
12 provisions of this Act; providing for the effective dates of this Act; and generally  
13 relating to the Insurance Article.

14 BY repealing and reenacting, with amendments,  
15 Article - Insurance  
16 Section 2-104(f)(2)  
17 Annotated Code of Maryland  
18 (1995 Volume and 1996 Supplement)  
19 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as  
20 amended by Chapter 352 of the Acts of the General Assembly of 1995)

21 BY repealing and reenacting, with amendments,  
22 Article - Insurance  
23 Section 2-112(a)(15)  
24 Annotated Code of Maryland  
25 (1995 Volume and 1996 Supplement)  
26 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as  
27 amended by Chapters 60, 189, and 271, Section 4 of the Acts of the General  
28 Assembly of 1996)

29 BY repealing and reenacting, with amendments,  
30 Article - Insurance  
31 Section 2-114(c)(1)  
32 Annotated Code of Maryland

2

1 (1995 Volume and 1996 Supplement)  
2 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as  
3 amended by Chapter 60 of the Acts of the General Assembly of 1996)

4 BY repealing and reenacting, with amendments,

5 Article - Insurance  
6 Section 2-202(b)(5), 3-306(a)(3) and (4) and (c)(1), 3-326(c), 4-103(b)(5),  
7 5-304(b) and (c), 5-701(a)(5), 5-703(5), 5-706(b), 7-803(a), 8-209(a)(3),  
8 8-304(a)(4), 8-308(b)(4), 8-403(b)(1), 8-434(c)(2) and (3), 8-518(a)(4), and  
9 10-118(b)(1)  
10 Annotated Code of Maryland  
11 (1995 Volume and 1996 Supplement)  
12 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

13 BY repealing and reenacting, with amendments,

14 Article - Insurance  
15 Section 2-209(h)(2)  
16 Annotated Code of Maryland  
17 (1995 Volume and 1996 Supplement)  
18 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as  
19 amended by Chapter 56 of the Acts of the General Assembly of 1996)

20 BY repealing and reenacting, with amendments,

21 Article - Insurance  
22 Section 9-215(d)(1), 9-225(d)(2), 9-226(a)(1), 9-230(d), 9-231(g), and  
23 9-409(d)(4)(ii)  
24 Annotated Code of Maryland  
25 (1995 Volume and 1996 Supplement)  
26 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

27 BY repealing and reenacting, with amendments,

28 Article - Insurance  
29 Section 13-109(b)(3), 16-105(b), 16-215(b)(1)(i)4., 16-313, 16-503(e)(2),  
30 16-509(c), 16-510, 17-205(a), 19-505(a)(1)(i), 19-509(f)(2), 20-202(b)(3),  
31 20-501(b) and (c), 20-504(a)(2) and (3), 20-507(b)(1) and (2), (c)(2), and (d),  
32 20-516(c), 20-518(b), 20-601(a)(2), 24-206(1)(ii), 25-103(d), 25-308(c)(1),  
33 25-405(d)(10), 25-406(2), and 26-205(b)  
34 Annotated Code of Maryland  
35 (1996 Volume)  
36 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

37 BY repealing and reenacting, with amendments,

38 Article - Insurance  
39 Section 10-121(j)(5)  
40 Annotated Code of Maryland

3

1 (1995 Volume and 1996 Supplement)  
2 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as  
3 amended by Chapter 635 of the Acts of the General Assembly of 1995, as  
4 amended by Chapter 206 of the Acts of the General Assembly of 1996)

5 BY repealing and reenacting, with amendments,

6 Article - Insurance  
7 Section 2-112(a)(17)  
8 Annotated Code of Maryland  
9 (1995 Volume and 1996 Supplement)  
10 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as  
11 amended by Chapter 271, Section 7 of the Acts of the General Assembly of  
12 1996)

13 BY renumbering

14 Article 1 - Rules of Interpretation  
15 Section 25(o) through (w), respectively  
16 to be Section 25(p) through (x), respectively  
17 Annotated Code of Maryland  
18 (1996 Replacement Volume)

19 BY adding to

20 Article 1 - Rules of Interpretation  
21 Section 25(o)  
22 Annotated Code of Maryland  
23 (1996 Replacement Volume)

24 BY repealing and reenacting, with amendments,

25 Article 25 - County Commissioners  
26 Section 3(g-5)  
27 Annotated Code of Maryland  
28 (1996 Replacement Volume)

29 BY repealing and reenacting, with amendments,

30 Article 27 - Crimes and Punishments  
31 Section 616 1/2(f)(1)  
32 Annotated Code of Maryland  
33 (1996 Replacement Volume)

34 BY repealing and reenacting, with amendments,

35 Article 70B - Office on Aging  
36 Section 20(b) and 23  
37 Annotated Code of Maryland  
38 (1995 Replacement Volume and 1996 Supplement)

4

1 BY repealing and reenacting, with amendments,  
2 Article 83B - Department of Housing and Community Development  
3 Section 11-104(a)  
4 Annotated Code of Maryland  
5 (1995 Replacement Volume and 1996 Supplement)

6 BY repealing and reenacting, with amendments,  
7 Article 95 - Treasurer  
8 Section 22G(j)  
9 Annotated Code of Maryland  
10 (1995 Replacement Volume and 1996 Supplement)

11 BY repealing and reenacting, with amendments,  
12 Article - Commercial Law  
13 Section 12-123(a), 12-312(e)(2), 12-410(e)(2), 12-909.1(a), 12-1007.1(a),  
14 14-2601(c)(2)(ii)1., and 17-101(j)  
15 Annotated Code of Maryland  
16 (1990 Replacement Volume and 1996 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article - Corporations and Associations  
19 Section 7-201(1)  
20 Annotated Code of Maryland  
21 (1993 Replacement Volume and 1996 Supplement)

22 BY repealing and reenacting, with amendments,  
23 Article - Courts and Judicial Proceedings  
24 Section 3-2A-08(a), 4-301(b)(9), 5-334, 5-335, 5-336, 5-337(a), 10-104(a)(2) and  
25 (3), and 10-402(c)(2)  
26 Annotated Code of Maryland  
27 (1995 Replacement Volume and 1996 Supplement)

28 BY repealing and reenacting, with amendments,  
29 Article - Education  
30 Section 4-105(c)(1)(ii)  
31 Annotated Code of Maryland  
32 (1997 Replacement Volume)

33 BY repealing and reenacting, with amendments,  
34 Article - Estates and Trusts  
35 Section 8-115  
36 Annotated Code of Maryland  
37 (1991 Replacement Volume and 1996 Supplement)

38 BY repealing and reenacting, with amendments,

5

1 Article - Family Law  
 2 Section 11-111(a)  
 3 Annotated Code of Maryland  
 4 (1991 Replacement Volume and 1996 Supplement)

5 BY repealing and reenacting, with amendments,  
 6 Article - Financial Institutions  
 7 Section 7-115, 7-116, and 10-115  
 8 Annotated Code of Maryland  
 9 (1992 Replacement Volume and 1996 Supplement)

10 BY repealing and reenacting, with amendments,  
 11 Article - Health - General  
 12 Section 4-217(e) and (f), 4-305(b)(5)(iv), 15-102.3(a), 15-102.4(c)(2)(i) and (ii)1.,  
 13 15-121.1(a), 15-121.2(a), and 17-215.1(a)  
 14 Annotated Code of Maryland  
 15 (1994 Replacement Volume and 1996 Supplement)

16 BY repealing and reenacting, with amendments,  
 17 Article - Health - General  
 18 Section 19-350.1(a)(2)(ii) and (iii) and (3), 19-3B-01(i)(1), 19-703(d) and (e)(1)  
 19 and (2)(ii), 19-706(b), (d), (e), (g), (h), (i), (j), (k), and (m), 19-706.1(a),  
 20 (b)(2), (c)(1), (d)(1)(i), (e)(1), and (g)(1), 19-710(d)(3)(i) and (ii)1.,  
 21 19-711(b)(1) and (2)(i), 19-711.2(a) and (b)(1), 19-712.3(a), 19-713.1(b),  
 22 19-713.4(a), 19-714(6), 19-716(7), 19-727(b), 19-729(a)(9), 19-733,  
 23 19-1301(f)(1)(ii)2., 19-1303(c), 19-1305.4(e)(1), 19-1306(d), 19-1501(c) and  
 24 (h), 19-1502(c)(5), 19-1507(i), 19-1509(a)(3)(i), 19-1510, and 19-1515(c)(1)  
 25 Annotated Code of Maryland  
 26 (1996 Replacement Volume and 1996 Supplement)

27 BY repealing and reenacting, with amendments,  
 28 Article - Health Occupations  
 29 Section 1-208(a)(3)(ii) and (iii) and (4), 1-305(b), 3-313(23), 7-407(a) and (c),  
 30 13-316(22), 14-404(a)(34), and 14-509  
 31 Annotated Code of Maryland  
 32 (1994 Replacement Volume and 1996 Supplement)

33 BY repealing and reenacting, with amendments,  
 34 Article - Labor and Employment  
 35 Section 8-603(a)(3), 8-805(c), 9-309(e), 9-316(a)(3)(i) and (iv), 9-401(b),  
 36 9-402(a)(4), 9-1006(d)(2), 10-122(a)(1), and 10-126(b)(1)(iii) and (2)(ii)  
 37 Annotated Code of Maryland  
 38 (1991 Volume and 1996 Supplement)

39 BY repealing and reenacting, with amendments,

6

1 Article - Real Property  
2 Section 10-302(a) and (b) and 11-111.1(g)(1)(i)  
3 Annotated Code of Maryland  
4 (1996 Replacement Volume and 1996 Supplement)

5 BY repealing and reenacting, with amendments,  
6 Article - State Finance and Procurement  
7 Section 3-302(b)(8)  
8 Annotated Code of Maryland  
9 (1995 Replacement Volume and 1996 Supplement)

10 BY repealing and reenacting, with amendments,  
11 Article - State Government  
12 Section 9-1607.1(a)(3), 10-120(a)(4), 10-203(a)(3)(iii), 10-302(a)(4),  
13 10-502(h)(3)(x)1., and 10-616(l)  
14 Annotated Code of Maryland  
15 (1995 Replacement Volume and 1996 Supplement)

16 BY repealing and reenacting, with amendments,  
17 Article - Transportation  
18 Section 15-604(a)(2), 17-103(b)(3) and (4), 17-105(a), 17-209(e), and 26-404(a)(4)  
19 and (5) and (d)  
20 Annotated Code of Maryland  
21 (1992 Replacement Volume and 1996 Supplement)

22 BY repealing and reenacting, with amendments,  
23 Article - Health - General  
24 Section 19-706(l)  
25 Annotated Code of Maryland  
26 (1996 Replacement Volume and 1996 Supplement)  
27 (As enacted by Chapter 24 of the Acts of the General Assembly of 1996)

28 BY repealing and reenacting, with amendments,  
29 Article - Health - General  
30 Section 19-1515(c)(1)  
31 Annotated Code of Maryland  
32 (1996 Replacement Volume and 1996 Supplement)  
33 (As enacted by Chapter 462 of the Acts of the General Assembly of 1995)

34 BY repealing and reenacting, with amendments,  
35 Article - Insurance  
36 Section 4-112(e)(3)(i) and 8-301(f)(2)  
37 Annotated Code of Maryland  
38 (1995 Volume and 1996 Supplement)

7

1 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as  
2 amended by Chapter 456 of the Acts of the General Assembly of 1996)

3 BY repealing and reenacting, with amendments,

4 Article - Insurance

5 Section 6-105(b)

6 Annotated Code of Maryland

7 (1995 Volume and 1996 Supplement)

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

9 amended by Chapter 636 of the Acts of the General Assembly of 1996)

10 BY repealing and reenacting, without amendments,

11 Article - Insurance

12 Section 9-201(f) and 9-410(a)(2)(i)

13 Annotated Code of Maryland

14 (1995 Volume and 1996 Supplement)

15 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

16 BY repealing and reenacting, without amendments,

17 Article - Insurance

18 Section 16-506(c), 20-601(a)(1)(ii), 20-603(b)(1)(ii), and 25-405(g)(2)

19 Annotated Code of Maryland

20 (1996 Volume)

21 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

22 BY repealing and reenacting, with amendments,

23 Article - Insurance

24 Section 15-115(b), 18-106(b), and 18-107

25 Annotated Code of Maryland

26 (1995 Volume and 1996 Supplement)

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

28 BY repealing and reenacting, with amendments,

29 Article - Tax - General

30 Section 10-104

31 Annotated Code of Maryland

32 (1988 Volume and 1996 Supplement)

33 BY repealing and reenacting, with amendments,

34 Chapter 379 of the Acts of the General Assembly of 1996

35 Section 3

36 BY repealing and reenacting, with amendments, and transferring to the Session Laws

37 Article 48A - Insurance Code

38 Section 168(d) and 176(f)

8

1 Annotated Code of Maryland  
2 (1994 Replacement Volume and 1996 Supplement)

3 BY repealing

4 Article 41 - Governor - Executive and Administrative Departments  
5 Section 10-401 and the subtitle "Subtitle 4. Maryland Insurance Administration"  
6 Annotated Code of Maryland  
7 (1993 Replacement Volume and 1996 Supplement)

8 BY repealing and reenacting, with amendments,

9 Article - Insurance  
10 Section 1-202  
11 Annotated Code of Maryland  
12 (1995 Volume and 1996 Supplement)  
13 (As enacted by Chapter 544, Section 5 of the Acts of the General Assembly of 1995  
14 and Chapter \_\_\_\_\_ (H.B.11) of the Acts of the General Assembly of 1997)

15 BY repealing and reenacting, with amendments,

16 Article - Insurance  
17 Section 27-208  
18 Annotated Code of Maryland  
19 (1995 Volume and 1996 Supplement)  
20 (As enacted by Chapter 24, Section 2 of the Acts of the General Assembly of 1996  
21 and Chapter \_\_\_\_\_ (H.B.11) of the Acts of the General Assembly of 1997)

22 BY repealing and reenacting, with amendments,

23 Article - Insurance  
24 Section 16-114(c)(1)  
25 Annotated Code of Maryland  
26 (1996 Volume)  
27 (As enacted by Chapter 490, Section 2 of the Acts of the General Assembly of 1993,  
28 as amended by Chapter 148 of the Acts of the General Assembly of 1995 and  
29 Chapter 11 of the Acts of the General Assembly of 1996)

30 BY repealing and reenacting, with amendments,

31 Article - Insurance  
32 Section 18-106(b) and 18-107  
33 Annotated Code of Maryland  
34 (1995 Volume and 1996 Supplement)  
35 (As enacted by Chapter 513, Section 2 of the Acts of the General Assembly of 1993,  
36 Chapter 442 of the Acts of the General Assembly of 1996, and Chapter  
37 \_\_\_\_\_ (H.B.11) of the Acts of the General Assembly of 1997)

38 BY repealing and reenacting, with amendments,

39 Article - Insurance



9

1 Section 18-106(b) and 18-107  
2 Annotated Code of Maryland  
3 (1995 Volume and 1996 Supplement)  
4 (As enacted by Chapter 513, Section 2 of the Acts of the General Assembly of 1993,  
5 Chapter 442 of the Acts of the General Assembly of 1996, Chapter  
6 \_\_\_\_\_ (H.B.11) of the Acts of the General Assembly of 1997, and Section 13 of  
7 this Act)

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

10 **Article - Insurance**

11 2-104.

12 (f) (2) As directed by the Commissioner, the investigators shall investigate, in  
13 the State, violations or alleged violations of this article, including [§ X-XXX]  
14 INSURANCE FRAUD AS DEFINED IN § 27-801 of this article.

15 2-112.

16 (a) Fees for the following certificates, licenses, and services shall be collected in  
17 advance by the Commissioner, and shall be paid by the appropriate persons to the  
18 Commissioner:

19 (15) fees for form and rate filings under [§§ XX-XXX, XX-XXX,  
20 XX-XXX, XX-XXX, XX-XXX, and XX-XXX of this article [48A §§ 242, 242A, 334,  
21 356, 375, and 436H]] TITLE 11, SUBTITLES 2 AND 4 AND §§ 8-434, 12-203, 13-110, AND  
22 14-126 OF THIS ARTICLE .....\$100

23 2-114.

24 (c) The following moneys may not be considered general funds of the State and  
25 shall be deposited in the Insurance Fraud Division Fund:

26 (1) revenue derived from the annual fraud prevention fee under [§ X-XXX  
27 [48A § 640B]] § 6-202 of this article; and

28 2-202.

29 (b) When the Commissioner has exclusive jurisdiction under subsection (a) of this  
30 section, the Human Relations Commission may:

31 (5) appeal as a party aggrieved by an order or decision of the Commissioner  
32 under § 2-215 of this subtitle or [§ X-XXX of this article [48A § 242B]]§ 11-503 OF THIS  
33 ARTICLE.

34 2-209.

35 (h) The Commissioner may not disclose any information obtained from another  
36 state if the information is:

10

1 (2) of a nature that would be considered confidential under paragraph (1) of  
2 this subsection if the examination had been made by this State under § 2-205 or § 2-206  
3 of this subtitle or [§ XX-XXX of this article [48A § 486B]] § 23-103 OF THIS ARTICLE.

4 3-306.

5 (a) Surplus lines insurance may be procured from an unauthorized insurer if:

6 (3) except for insurance against liability of persons described in [§  
7 XX-XXX of this article [48A § 551(c)(1), (2), and (3)]] § 24-206(1) OF THIS ARTICLE, the  
8 amount of surplus lines insurance procured from an unauthorized insurer is only the  
9 excess over the amount that can be procured from authorized insurers;

10 (4) for insurance against liability of persons described in [§ XX-XXX of  
11 this article [48A § 551(c)(1), (2), and (3)]] § 24-206(1) OF THIS ARTICLE, the insurance  
12 cannot be obtained from three or more authorized insurers that are writing on a broad  
13 basis that particular kind and class of insurance;

14 (c) (1) This section does not prohibit a surplus lines broker from renewing a  
15 risk with a surplus lines insurer if the risk was initially written on a surplus lines basis  
16 when there were fewer than three authorized insurers actually writing on a broad basis  
17 the particular kind and class of insurance to provide coverage against liability of persons  
18 described in [§ XX-XXX of this article [48A § 551 (c)(1), (2), and (3)]] § 24-206(1) OF  
19 THIS ARTICLE in the State.

20 3-326.

21 (c) A person that violates subsection (a) of this section is guilty of a misdemeanor  
22 and on conviction is subject to the penalty provided by [§ XX-XXX[ 48A § 12]] § 1-301  
23 of this article or to any greater applicable penalty provided by law.

24 4-103.

25 (b) To qualify for an initial certificate of authority to engage in one kind or a  
26 combination of kinds of insurance business, an insurer must have and maintain the capital  
27 stock and surplus requirements of:

28 (5) [Title 14, Subtitle X of this article [Subtitle 20 of 48A]] TITLE 14,  
29 SUBTITLE 1 OF THIS ARTICLE, for a nonprofit health service plan.

30 5-701.

31 (a) When made through the Commissioner by insurers or health maintenance  
32 organizations, the Treasurer shall accept and hold in trust:

33 (5) deposits required under [§ X-XXX [Art. 48A, § 61]] TITLE 6,  
34 SUBTITLE 3 of this article.

35 5-703.

36 Deposits made under this subtitle shall be held for the following purposes:

37 (5) deposits required under [§ X-XXX [Art. 48A, § 61]] TITLE 6,  
38 SUBTITLE 3 of this article shall be held for the purposes specified in the notice of the  
39 Commissioner requiring the deposits to be made.

11

1 5-706.

2 (b) A judgment creditor or other claimant of an insurer may levy on a deposit  
3 required under [§ X-XXX [Art. 48A, § 61]] TITLE 6, SUBTITLE 3 of this article if  
4 allowed by the notice of the Commissioner requiring the deposit to be made.

5 7-803.

6 (a) Any violation of this title is an unfair trade practice in the business of  
7 insurance and is subject to the provisions of [Title XX (Unfair Trade Practices subtitle)]  
8 TITLE 27 of this article.

9 8-209.

10 (a) A managing general agent may not:

11 (3) take an action that would violate [§ XX-XXX of this article [48A, §  
12 234B]] § 27-503 OF THIS ARTICLE if taken directly by the insurer;

13 8-304.

14 (a) To register as an administrator, an applicant must present evidence  
15 satisfactory to the Commissioner that the applicant:

16 (4) for the administration of health benefit plans in the State, uses only the  
17 uniform claim forms adopted by the Commissioner under [§ XX-XXX of this article  
18 [48A § 490P]] § 15-1003 OF THIS ARTICLE.

19 8-434.

20 (c) (2) To the extent practicable, the regulations shall conform to the  
21 requirements of [Title XX [Art. 48A, Subtitle 25]] TITLE 15 of this article.

22 (3) If the Commissioner determines that all or part of the requirements of  
23 [Title XX [Art. 48A, Subtitle 25]] TITLE 15 of this article are inapplicable, the  
24 Commissioner may prescribe the parts or summary of the parts of the contract to be  
25 printed on the certificate that is issued to the member.

26 8-518.

27 (a) A reinsurance manager:

28 (4) may not take an action that would constitute a violation of [§ XX-XXX  
29 [Art. 48A, § 234B]] § 27-503 of this article if taken directly by a reinsurer;

30 9-231.

31 (g) The Commissioner may issue a cease and desist order in accordance with [ §  
32 X-XXX of this article [48A § 215]] § 27-103 OF THIS ARTICLE against a person that  
33 violates subsection (c) or subsection (e) of this section.

34 10-118.

35 (b) Within 30 days after an insurer receives an application for life insurance,  
36 health insurance, or an annuity from an agent that does not have an appointment from  
37 the insurer, the insurer shall:

12

1 (1) reject the application in accordance with [§ XX-XXX [48A § 234A]] §  
2 27-501 of this article; or

3 10-121.

4 (j) (5) The examination required under this section is in addition to any  
5 examination conducted by the Commissioner to determine compliance with the accounts  
6 maintained for the benefit of the Maryland Affordable Housing Trust under [§ XX-XXX  
7 [48A § 486-2]] § 22-103 of this article.

8 19-505.

9 (a) Unless waived in accordance with § 19-506 of this subtitle, each insurer that  
10 issues, sells, or delivers a motor vehicle liability insurance policy in the State shall provide  
11 coverage for the medical, hospital, and disability benefits described in this section for  
12 each of the following individuals:

13 (1) except for individuals specifically excluded under [§ 27-XXX] § 27-606  
14 of this article:

15 (i) the first named insured, and any family member of the first named  
16 insured who resides in the first named insured's household, who is injured in any motor  
17 vehicle accident, including an accident that involves an uninsured motor vehicle or a  
18 motor vehicle the identity of which cannot be ascertained; and

19 19-509.

20 (f) An insurer may exclude from the uninsured motorist coverage required by this  
21 section benefits for:

22 (2) the named insured, a family member of the named insured who resides  
23 in the named insured's household, and any other individual who has other applicable  
24 motor vehicle insurance for an injury that occurs when the named insured, family  
25 member, or other individual is occupying or is struck as a pedestrian by the insured motor  
26 vehicle while the motor vehicle is operated or used by an individual who is excluded from  
27 coverage under [§ 27-XXX] § 27-606 of this article.

28 20-507.

29 (b) (1) Except as provided in subsection (c) of this section, the provisions of [§  
30 XX-XXX [Art. 48A, § 242(c)]] TITLE 11, SUBTITLE 2 of this article apply to the  
31 determination of premiums by the Executive Director.

32 (2) Notwithstanding [§ XX-XXX [Art. 48A, § 242(c)]] TITLE 11,  
33 SUBTITLE 2 of this article or any other provision of this title, the Executive Director may  
34 base premiums on one or both of the following items:

35 (i) the number of points accumulated by an insured or applicant for  
36 insurance under the point system provided for in Title 16, Subtitle 4 of the Transportation  
37 Article; or

38 (ii) the prior claims experience of an insured or applicant for  
39 insurance.

13

1 (c) (2) Notwithstanding paragraph (1) of this subsection, the rating principles  
 2 under [§ XX-XXX [Art. 48A, § 242C(a)(2)] of this title] SUBSECTION (D) OF THIS  
 3 SECTION may not be used to determine the premium for commercial coverage.

4 (d) In reviewing rates filed by the Fund, the Commissioner shall consider not only  
 5 the rating principles under [§ XX-XXX [Art. 48A, § 242(c)]] TITLE 11, SUBTITLE 2 of  
 6 this article but also the statutory purpose of the Fund under § 20-301 of this title.

7 20-516.

8 (c) If a person does not have a valid license or other privilege to drive a covered  
 9 vehicle in the State, or is otherwise ineligible to be insured by the Fund, the Fund may  
 10 issue the appropriate policy with an excluded driver endorsement under [§ XX-XXX  
 11 [Art. 48A, § 240C-1]] § 27-606 of this article.

12 20-518.

13 (b) If, after a hearing, the Motor Vehicle Administration suspends or revokes the  
 14 insured's driver's license, the Executive Director shall cancel or refuse to continue the  
 15 coverage after having given the notice required under [§ XX-XXX [Art. 48A, §  
 16 240A(c)]] § 27-604 of this article.

17 25-103.

18 (d) Each risk retention group, and each agent or representative of a risk retention  
 19 group, shall comply with [§ XX-XXX [48A § 230A] of this article ("Unfair claim  
 20 settlement practices")]TITLE 27, SUBTITLE 3 OF THIS ARTICLE.

21 25-405.

22 (d) The program of operation shall provide for:

23 (10) notwithstanding [§§ XX-XXX through XX-XXX [48A §§ 240A  
 24 through 240D]] TITLE 27, SUBTITLE 6 of this article, underwriting guidelines and  
 25 procedures that allow the Association to shorten the cancellation period for policies of  
 26 essential property insurance and homeowner's insurance for certain conditions that are  
 27 determined to exist.

28 25-406.

29 A person with an insurable interest in real or tangible personal property at a fixed  
 30 location may apply to the Association for essential property insurance or homeowner's  
 31 insurance if the person has been:

32 (2) able to obtain essential property insurance or homeowner's insurance  
 33 only after application under [§§ XX-XXX or XX-XXX [Art. 48A, §§ 242(h)(3) or  
 34 244Q]] § 11-210 OR § 11-311 of this article; or

35 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 36 read as follows:

14

1 **Article - Insurance**

2 2-112.

3 (a) Fees for the following certificates, licenses, and services shall be collected in  
4 advance by the Commissioner, and shall be paid by the appropriate persons to the  
5 Commissioner:

6 (17) fees for form and rate filings under [§§ XX-XXX, XX-XXX,  
7 XX-XXX, XX-XXX, XX-XXX, and XX-XXX of this article [48A §§ 242, 242A, 334,  
8 356, 375, and 436H]] TITLE 11, SUBTITLES 2 AND 4 AND §§ 8-434, 12-203, 13-110, AND  
9 14-126 OF THIS ARTICLE.....\$100

10 SECTION 3. AND BE IT FURTHER ENACTED, That Section(s) 25(o) through  
11 (w), respectively, of Article 1 - Rules of Interpretation of the Annotated Code of  
12 Maryland be renumbered to be Section(s) 25(p) through (x), respectively.

13 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
14 read as follows:

15 **Article 1 - Rules of Interpretation**

16 25.

17 (O) A SECTION OF THE INSURANCE ARTICLE MAY BE CITED AS: "§ OF THE  
18 INSURANCE ARTICLE".

19 **Article 25 - County Commissioners**

20 3.

21 (g-5) Boards of county commissioners may enter into joint pooling agreements with  
22 public entities, as defined in [Article 48A, § 482B of the Code] § 19-602 OF THE  
23 INSURANCE ARTICLE, for the purpose of purchasing casualty, property, or health  
24 insurance or, in accordance with other provisions of law, self-insuring casualty, property,  
25 or health risks.

26 **Article 27 - Crimes and Punishments**

27 616 1/2.

28 (f) (1) The circuit courts for each of the counties are authorized to prescribe by  
29 rule of court the terms and conditions of bail bonds filed in the circuit court for each  
30 county respectively. This power includes but is not limited to prescribing the  
31 qualifications of and fees charged by bondsmen. A bond commissioner may be appointed  
32 to administer the rules of court adopted pursuant to this section. Violations of any rule of  
33 court promulgated hereunder shall be considered contempt of court and punished as for  
34 contempt. In addition a person may not engage in the business of becoming surety for  
35 compensation on bonds in criminal cases until he shall have been approved by such rules  
36 as the circuit court may have adopted and, if required under the provisions of [Article  
37 48A of the Code] THE INSURANCE ARTICLE, licensed in accordance with [Article 48A  
38 of the Code] THE INSURANCE ARTICLE.

15

**1 Article 70B - Office on Aging**

2 20.

3 (b) The receiver shall have such power to rehabilitate, conserve, or liquidate as is  
4 conferred by the order of appointment and by the provisions of [Article 48A, §§ 132  
5 through 164B] TITLE 9, SUBTITLE 2 OF THE INSURANCE ARTICLE relating to  
6 rehabilitation and liquidation of insurance companies.

7 23.

8 Any operation subject to the provisions of this subtitle shall not be subject to the  
9 provisions of the Health Maintenance Organization Act of the Health - General Article;  
10 [Article 48A of the Code, except § 470N] THE INSURANCE ARTICLE, EXCEPT § 15-603  
11 OF THE INSURANCE ARTICLE; Title 8 of the Real Property Article; or any county or  
12 municipal landlord-tenant law. If a provider contractually utilizes the services of a  
13 licensed home health agency or residential service agency and is not itself directly  
14 providing the type of services provided by a home health or residential service agency,  
15 then the provider shall not be subject to the provisions of Title 19, Subtitles 4 and 4A of  
16 the Health - General Article of the Maryland Annotated Code. Under [§ 470N of Article  
17 48A] § 15-603 OF THE INSURANCE ARTICLE, the liability of the provider to the State  
18 Department of Health and Mental Hygiene shall be limited to the amount of money  
19 which would be due as a refund if the subscriber were dismissed under § 15 at the time of  
20 enrollment in services rendered by, or paid in full or in part by the State Department of  
21 Health and Mental Hygiene.

**22 Article 83B - Department of Housing and Community Development**

23 11-104.

24 (a) The Board of Trustees may solicit and accept for investment in the Trust  
25 money from any source, including gifts, grants, legacies or money from the federal  
26 government, State government, local governments or any private source, and interest  
27 money earned on trust accounts held by title insurers, or their agents or approved  
28 attorneys under [Article 48A, § 486-2 of the Code] § 22-103 OF THE INSURANCE  
29 ARTICLE.

**30 Article 95 - Treasurer**

31 22G.

32 (j) For the purposes of this section, "local government" includes all of the legal  
33 entities, bodies, and agencies set out in § 22 of this article and local government insurance  
34 pools formed under [Article 48A, § 482B of the Code] TITLE 19, SUBTITLE 6 OF THE  
35 INSURANCE ARTICLE, but does not include the State and agencies of the State.

**36 Article - Commercial Law**

37 12-123.

38 (a) In this section, "binder" means a binder or other temporary contract of  
39 insurance as provided under [Article 48A, § 379 of the Code] § 12-106 OF THE  
40 INSURANCE ARTICLE.

16

1 12-312.

2 (e) Under this subtitle, insurance may be obtained only:

3 (2) At rates not exceeding those approved by the [ Insurance Division of the  
4 Department of Labor, Licensing, and Regulation] INSURANCE ADMINISTRATION.

5 12-410.

6 (e) Under this subtitle, insurance may be obtained only:

7 (2) At rates not exceeding those approved by the [Insurance Division of the  
8 Department of Labor, Licensing, and Regulation] INSURANCE ADMINISTRATION.

9 12-909.1.

10 (a) In this section, "binder" means a binder or other temporary contract of  
11 insurance as provided under [Article 48A, § 379 of the Code] § 12-106 OF THE  
12 INSURANCE ARTICLE.

13 12-1007.1.

14 (a) In this section, "binder" means a binder or other temporary contract of  
15 insurance as provided under [Article 48A, § 379 of the Code] § 12-106 OF THE  
16 INSURANCE ARTICLE.

17 14-2601.

18 (c) (2) "Door-to-door solicitation" does not include a transaction that:

19 (ii) Is made in the regular course of business by any person licensed or  
20 regulated under:

21 1. [ Article 48A of the Code] THE INSURANCE ARTICLE;

22 17-101.

23 (j) "Insurance corporation" means any association or corporation transacting in  
24 the State the business of insurance on the lives of persons or insurance pertaining to life  
25 insurance, including endowments and annuities, disability, accident and health insurance,  
26 and property, casualty, and surety insurance, as these terms are defined in [Article 48A  
27 of the Code] THE INSURANCE ARTICLE.

28 **Article - Corporations and Associations**

29 7-201.

30 This subtitle does not apply to:

31 (1) An insurance company subject to the provisions of [Article 48A of the  
32 Code] THE INSURANCE ARTICLE;



17

**1 Article - Courts and Judicial Proceedings**

2 3-2A-08.

3 (a) Evidence of advanced payments made pursuant to [§ 482A(c) of Article 48A  
4 of the Code] § 19-104(B) OF THE INSURANCE ARTICLE is not admissible in any  
5 arbitration or judicial proceeding for damages due to medical injury until there is an  
6 award, in the case of arbitration proceedings, or a verdict, in the case of judicial  
7 proceedings, in favor of the claimant and against the person who made the advanced  
8 payments. Upon the finding of such an award or verdict, the arbitration panel, or the trier  
9 of fact, shall make a finding of total damages, and shall then deduct whatever amounts it  
10 finds were paid by or on behalf of the defendants pursuant to [§ 482A(c) of Article 48A]  
11 § 19-104(B) OF THE INSURANCE ARTICLE. The net amount, after this deduction, shall be  
12 entered as its award or verdict.

13 4-301.

14 (b) Except as provided in § 4-302, the District Court also has exclusive original  
15 jurisdiction in a criminal case in which a person at least 18 years old or a corporation is  
16 charged with:

17 (9) Violation of [Article 48A, § 233 of the Code] TITLE 27, SUBTITLE 4 OF  
18 THE INSURANCE ARTICLE, whether a felony or a misdemeanor;

19 5-334.

20 (a) There may not be any liability on the part of or cause of action of any nature  
21 against [any member insurer] AN ASSOCIATION MEMBER, the Joint Insurance  
22 Association or its agents or employees, the Board of Directors, or the [State] Insurance  
23 Commissioner or the Commissioner's representatives for any action taken by them in the  
24 performance of their powers and duties under [Article 48A, Subtitle 27A of the Code]  
25 TITLE 25, SUBTITLE 4 OF THE INSURANCE ARTICLE, except:

26 (1) To the extent that it is proven that any of the entities or individuals  
27 specified in this subsection actually received an improper benefit or profit in money,  
28 property, or services, for the amount of the benefit or profit in money, property, or  
29 services actually received;

30 (2) To the extent that a judgment or other final adjudication adverse to any  
31 of the entities or individuals specified in this section is entered in a proceeding based on  
32 a finding in the proceeding that the entity's or individual's action, or failure to act, was  
33 the result of active and deliberate dishonesty and was material to the cause of action  
34 adjudicated in the proceeding; or

35 (3) To the extent that any act of an entity or individual specified in this  
36 section was committed in bad faith.

37 (b) There may not be any liability on the part of or cause of action of any nature  
38 against [insurers] AN ASSOCIATION MEMBER, the Joint Insurance Association, the  
39 governing committee of the Joint Insurance Association, their agents or employees, or the  
40 [State] Insurance Commissioner or the Commissioner's authorized representatives for  
41 any failure to discover defects in the property inspected or for any statements made in any  
42 reports and communications concerning the insurability of the property, or in the findings

18

1 required by the provisions of [Article 48A, Subtitle 27A of the Code] TITLE 25,  
2 SUBTITLE 4 OF THE INSURANCE ARTICLE or the hearings conducted in connection  
3 therewith.

4 5-335.

5           There shall be no liability on the part of and no cause of action of any nature shall  
6 arise against an insurer reporting under [Article 48A, § 490B of the Code] § 4-401 OF  
7 THE INSURANCE ARTICLE or its agents or employees, the Commission on medical  
8 discipline or its representatives, or any appropriate licensing board for health care  
9 providers for any action taken by them under [Article 48A, § 490B of the Code] § 4-401  
10 OF THE INSURANCE ARTICLE.

11 5-336.

12           There shall be no liability on the part of and no cause of action of any nature shall  
13 arise against a member insurer, the Property and Casualty Insurance Guaranty  
14 Corporation or its agents or employees, the Board of Directors, or the [State] Insurance  
15 Commissioner or the Commissioner's representatives for any action taken by them in the  
16 performance of their powers and duties under [Article 48A, Subtitle 33 of the Code]  
17 TITLE 9, SUBTITLE 3 OF THE INSURANCE ARTICLE.

18 5-337.

19           (a) Except for the payment of assessments as provided under [Article 48A,  
20 Subtitle 34 of the Code] TITLE 9, SUBTITLE 4 OF THE INSURANCE ARTICLE, there shall  
21 be no liability on the part of and no cause of action of any nature shall arise against a  
22 member insurer or its agents or employees, the Life and Health Insurance Guaranty  
23 Corporation or its agents or employees, members of the Board of Directors, or the  
24 [State] Insurance Commissioner or representatives of the Commissioner for any action  
25 or omission taken by them in the performance of their powers and duties under [Article  
26 48A, Subtitle 34 of the Code] TITLE 9, SUBTITLE 4 OF THE INSURANCE ARTICLE.

27 10-104.

28           (a) The provisions of this section apply only to a proceeding in the District Court  
29 for a claim for:

30                   (2) Medical, hospital, or disability benefits under [Article 48A, § 539 of the  
31 Code] §§ 19-505 AND 19-506 OF THE INSURANCE ARTICLE;

32                   (3) First party motor vehicle medical payments under [Article 48A, § 541 of  
33 the Code] §§ 19-509 AND 19-510 OF THE INSURANCE ARTICLE; and

34 10-402.

35           (c) (2) It is lawful under this subtitle for an investigative or law enforcement  
36 officer acting in a criminal investigation or any other person acting at the prior direction  
37 and under the supervision of an investigative or law enforcement officer to intercept a  
38 wire, oral, or electronic communication in order to provide evidence of the commission of  
39 the offenses of murder, kidnapping, rape, a sexual offense in the first or second degree,  
40 child abuse, gambling, robbery, any felony punishable under the "Arson and Burning"  
41 subheading of Article 27, bribery, extortion, or dealing in controlled dangerous

19

1 substances, including violations of Article 27, § 286B or § 287A, fraudulent insurance  
2 acts, as defined in [Article 48A, § 233] TITLE 27, SUBTITLE 4 OF THE INSURANCE  
3 ARTICLE or any conspiracy or solicitation to commit any of these offenses, or where any  
4 person has created a barricade situation and probable cause exists for the investigative or  
5 law enforcement officer to believe a hostage or hostages may be involved, where the  
6 person is a party to the communication or one of the parties to the communication has  
7 given prior consent to the interception.

8 **Article - Education**

9 4-105.

10 (c) (1) A county board complies with this section if it:

11 (ii) Pools with other public entities for the purpose of self-insuring  
12 property or casualty risks under [Article 48A, § 482B of the Code] TITLE 19, SUBTITLE  
13 6 OF THE INSURANCE ARTICLE.

14 **Article - Estates and Trusts**

15 8-115.

16 The proceeds of a life insurance policy, annuity contract, or any money payable by  
17 a fraternal benefit society are exempt from claims in accordance with the provisions of  
18 [§§ 328 and 385 of Article 48A] §§ 8-431 AND 16-111 OF THE INSURANCE ARTICLE.

19 **Article - Family Law**

20 11-111.

21 (a) In accordance with the provisions of [Article 48A, § 490H of the Code] §  
22 15-408 OF THE INSURANCE ARTICLE, the court may, either after a divorce is granted or  
23 pendente lite, allocate between the parties any additional costs of providing hospital,  
24 medical, or surgical benefits under a group contract or require continuation or  
25 reinstatement of such benefits.

26 **Article - Financial Institutions**

27 7-115.

28 The Corporation, its members, and persons who have share and deposit accounts in  
29 credit unions are not subject to the provisions of [Article 48A of the Code "Insurance"]  
30 THE INSURANCE ARTICLE as a result of any of the activities of the Corporation under  
31 this title.

32 7-116.

33 The Corporation is exempt from all taxes imposed by this State or any of its political  
34 subdivisions under Title 9 of Article 24 of the Code, [Subtitle 47 of Article 48A of the  
35 Code] TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE, the Tax - General Article, or  
36 the Tax - Property Article.

37 10-115.

38 The Fund is not subject to [Article 48A of the Code] THE INSURANCE ARTICLE.

20

1 **Article - Health - General**

2 4-217.

3 (e) The Secretary shall include with every copy of a death certificate, in a form  
4 prescribed and provided by the Insurance Commissioner, a notice which advises that  
5 certain individuals may be entitled to continuation of group health insurance benefits  
6 under [Article 48A, § 490G of the Code] § 15-407 OF THE INSURANCE ARTICLE.

7 (f) The Secretary shall include with every copy of a death certificate, in a form  
8 prescribed by the Insurance Commissioner, a notice which advises that certain individuals  
9 may be entitled to become members of the Maryland Group Health Insurance Plan under  
10 [Article 48A, §§ 610 through 616 of the Code] TITLE 14, SUBTITLE 3 OF THE  
11 INSURANCE ARTICLE.

12 4-305.

13 (b) A health care provider may disclose a medical record without the  
14 authorization of a person in interest:

15 (5) If a claim has been or may be filed by, or with the authorization of a  
16 patient or recipient on behalf of the patient or recipient, for covered insureds, covered  
17 beneficiaries, or enrolled recipients only, to third party payors and their agents, if the  
18 payors or agents have met the applicable provisions of Title 19, Subtitle 13 of the Health  
19 - General Article, including nonprofit health service plans, health maintenance  
20 organizations, fiscal intermediaries and carriers, the Department of Health and Mental  
21 Hygiene and its agents, the United States Department of Health and Human Services and  
22 its agents, or any other person obligated by contract or law to pay for the health care  
23 rendered for the sole purposes of:

24 (iv) Coordinating benefit payments in accordance with the provisions  
25 of [Article 48A of the Code] THE INSURANCE ARTICLE under more than 1 sickness and  
26 accident, dental, or hospital and medical insurance policy;

27 15-102.3.

28 (a) The provisions of [Article 48A, § 490CC of the Code (Provider participation  
29 standards)] § 15-112 OF THE INSURANCE ARTICLE (PROVIDER PANELS) shall apply to  
30 managed care organizations in the same manner they apply to carriers.

31 15-102.4.

32 (c) (2) (i) For the protection of the managed care organization's enrollees  
33 and creditors, the applicant shall deposit and maintain in trust with the State Treasurer  
34 \$100,000 in cash or government securities of the type described in [Article 48A, § 110] §  
35 5-701(B) OF THE INSURANCE ARTICLE.

36 (ii) 1. The deposits shall be accepted and held in trust by the State  
37 Treasurer in accordance with the provisions of [Article 48A, §§ 108 through 118 of the  
38 Code] TITLE 5, SUBTITLE 7 OF THE INSURANCE ARTICLE.

21

1 15-121.1.

2 (a) If a Program recipient has a claim for any medical, hospital or disability  
3 benefits under [Article 48A, § 539 of the Code] §§ 19-505 AND 19-506 OF THE  
4 INSURANCE ARTICLE, the Department shall be subrogated to that claim to the extent of  
5 any payments made by the Department on behalf of the Program recipient that results  
6 from the occurrence that gave rise to the claim less:

7 (1) Applicable attorney's fees; and

8 (2) Any rights for loss of income.

9 15-121.2.

10 (a) If a Program recipient has a claim for any medical, hospital, or disability  
11 benefits under [Article 48A, § 541 of the Code] §§ 19-509 AND 19-510 OF THE  
12 INSURANCE ARTICLE, the Department shall be subrogated to that claim to the extent of  
13 any payments made by the Department on behalf of the Program recipient that results  
14 from the occurrence that gave rise to the claim, less applicable attorney's fees.

15 17-215.1.

16 (a) A laboratory that requires a health care provider to submit a written referral  
17 to receive laboratory services shall accept the uniform laboratory referral form adopted  
18 by the Insurance Commissioner under [ Article 48A, § 490BB of the Code] § 15-120 OF  
19 THE INSURANCE ARTICLE as the sole instrument for referrals for laboratory services.

20 19-350.1.

21 (a) (2) "Third party payor" means any person that administers or provides  
22 reimbursement for hospital benefits on an expense incurred basis including:

23 (ii) A health insurer or nonprofit health service plan authorized to  
24 offer health insurance policies or contracts in this State in accordance with [Article 48A  
25 of the Code] THE INSURANCE ARTICLE; or

26 (iii) A third party administrator registered under [Article 48A of the  
27 Code] THE INSURANCE ARTICLE.

28 (3) "Uniform claims form" means the claim or billing form for  
29 reimbursement of hospital services adopted by the Insurance Commissioner under [§  
30 490P of Article 48A of the Code] § 15-1003 OF THE INSURANCE ARTICLE.

31 19-3B-01.

32 (i) "Payor" means:

33 (1) A health insurer, nonprofit health service plan, or health maintenance  
34 organization that holds a certificate of authority to offer health insurance policies or  
35 contracts in the State in accordance with this article or [Article 48A of the Code] THE  
36 INSURANCE ARTICLE;

22

1 19-703.

2 (d) Health maintenance organizations shall provide continuation coverage  
3 required under [Article 48A, §§ 490G, 490H, and 490-I of the Code] §§ 15-407  
4 THROUGH 15-409 OF THE INSURANCE ARTICLE.

5 (e) (1) Notwithstanding any other provision of this subtitle, a health  
6 maintenance organization may offer a benefit package that provides at a minimum  
7 benefits required by [Article 48A, § 490-O of the Code] FORMER ARTICLE 48A, § 490-O  
8 for a limited benefits policy.

9 (2) A benefit package offered under paragraph (1) of this subsection shall:

10 (ii) Satisfy the requirements of [Article 48A, § 490-O of the Code]  
11 FORMER ARTICLE 48A, § 490-O.

12 19-706.

13 (b) (1) Any health maintenance organization that is regulated by [ Article 48A,  
14 Subtitle 20, Nonprofit Health Service Plans, of the Code] TITLE 14, SUBTITLE 1 OF THE  
15 INSURANCE ARTICLE is subject also to this subtitle.

16 (2) This subsection applies to a corporation described in [ Article 48A,  
17 Subtitle 20, Nonprofit Health Service Plans, of the Code] TITLE 14, SUBTITLE 1 OF THE  
18 INSURANCE ARTICLE, but only if it is a health maintenance organization.

19 (d) (1) The provisions of [Article 48A, § 58A of the Code and Article 48A,  
20 Subtitles 9A and 11] § 9-231 AND TITLE 9, SUBTITLE 1 AND TITLE 10, SUBTITLE 1 OF  
21 THE INSURANCE ARTICLE shall apply to health maintenance organizations.

22 (2) The provisions of [Article 48A, § 490GG of the Code] § 15-815 OF THE  
23 INSURANCE ARTICLE shall apply to health maintenance organizations.

24 (e) A health maintenance organization which enrolls members eligible for  
25 Medicare benefits under Title XVIII of the Social Security Act shall be subject to the  
26 requirements of [Article 48A, §§ 468B through 468GB of the Medicare Supplement and  
27 Specified Disease Act] TITLE 15, SUBTITLE 9 OF THE INSURANCE ARTICLE, to the  
28 extent any of the provisions of [the latter Act] TITLE 15, SUBTITLE 9 OF THE  
29 INSURANCE ARTICLE are applicable to the Medicare eligible members.

30 (g) The provisions of [Article 48A, §§ 230A and 234D of the Code] § 27-504 AND  
31 TITLE 27, SUBTITLE 3 OF THE INSURANCE ARTICLE shall apply to health maintenance  
32 organizations.

33 (h) The provisions of [Article 48A, §§ 354A(a), 438A, and 490T of the Code] §§  
34 15-401 THROUGH 15-403 OF THE INSURANCE ARTICLE shall apply to health  
35 maintenance organizations.

36 (i) The provisions of [Article 48A, §§ 490U, 490AA, 490CC, 490DD, and 490HH  
37 of the Code] §§ 15-105, 15-112, 15-113, 15-804, AND 15-812 OF THE INSURANCE ARTICLE  
38 shall apply to health maintenance organizations.

39 (j) The provisions of [Article 48A, Subtitle 55] TITLE 15, SUBTITLE 12 OF THE  
40 INSURANCE ARTICLE shall apply to health maintenance organizations.

23

1 (k) The provisions of [Article 48A, § 223.1 of the Code] § 27-909 OF THE  
2 INSURANCE ARTICLE shall apply to health maintenance organizations.

3 (m) The provisions of [Article 48A, § 490JJ of the Code] § 15-116 OF THE  
4 INSURANCE ARTICLE apply to health maintenance organizations.

5 19-706.1.

6 (a) Subject to this section, the provisions of [Article 48A, Subtitle 10 of the  
7 Code] TITLE 9, SUBTITLE 2 OF THE INSURANCE ARTICLE regarding the rehabilitation  
8 and liquidation of insurers are applicable to health maintenance organizations.

9 (b) (2) The provisions of [Article 48A, §§ 162, 162A, 163, and 164 of the Code]  
10 §§ 9-224 AND 9-225 OF THE INSURANCE ARTICLE do not apply to the rehabilitation or  
11 liquidation of a health maintenance organization.

12 (c) The Commissioner may apply for an order directing the Commissioner to  
13 rehabilitate or liquidate a health maintenance organization:

14 (1) Upon any one or more grounds set out in [Article 48A, Subtitle 10 of  
15 the Code] TITLE 9, SUBTITLE 2 OF THE INSURANCE ARTICLE; or

16 (d) (1) In addition to the Commissioner's authority under [Article 48A,  
17 Subtitle 10 of the Code] TITLE 9, SUBTITLE 2 OF THE INSURANCE ARTICLE, the  
18 Commissioner as a rehabilitator of a health maintenance organization may, subject to  
19 approval by a court:

20 (i) Change premium rates and other terms of an individual or group  
21 contract;

22 (e) In addition to the Commissioner's authority under [Article 48A, Subtitle 10 of  
23 the Code] TITLE 9, SUBTITLE 2 OF THE INSURANCE ARTICLE, the Commissioner as a  
24 liquidator may, subject to approval by a court:

25 (1) Contract with a solvent health maintenance organization or other  
26 appropriate entity to operate the insolvent health maintenance organization, including  
27 the provision of medical care, on a short-term basis;

28 (g) In the event of the liquidation or rehabilitation of a health maintenance  
29 organization under this section:

30 (1) Members of the health maintenance organization shall have the same  
31 priority of claims as provided in [Article 48A, § 158A of the Code] § 9-227(C) OF THE  
32 INSURANCE ARTICLE; and

33 19-710.

34 (d) (3) (i) For the protection of the health maintenance organization's  
35 members and creditors, the applicant shall deposit and maintain in trust with the State  
36 Treasurer \$100,000 in cash or government securities of the type described in [Article  
37 48A, § 110] § 5-701(B) OF THE INSURANCE ARTICLE.

24

1 (ii) 1. The deposits shall be accepted and held in trust by the State  
2 Treasurer in accordance with [the provisions of Article 48A, §§ 108 through 118] TITLE  
3 5, SUBTITLE 7 OF THE INSURANCE ARTICLE.

4 19-711.

5 (b) (1) A person shall comply with the procedures required by [Article 48A, §§  
6 494 and 494A] TITLE 7, SUBTITLES 3 AND 4 OF THE INSURANCE ARTICLE to the extent  
7 applicable before:

8 (i) That person may make a tender for or a request or invitation for  
9 tenders of or enter into an agreement to exchange securities for or acquire in the open  
10 market or otherwise, any voting security of a domestic health maintenance organization  
11 or enter into any other such agreement if, after the consummation thereof, that person  
12 would, directly or indirectly, or by conversion or by exercise of any right to acquire be in  
13 control of the domestic health maintenance organization; or

14 (ii) That person may enter into an agreement to merge or consolidate  
15 with, or otherwise to acquire control of a domestic health maintenance organization.

16 (2) (i) Approval by the Insurance Commissioner shall be governed by  
17 [Article 48A, § 494(e)] § 7-306 OF THE INSURANCE ARTICLE.

18 19-711.2.

19 (a) A person shall comply with the procedures required by [Article 48A, §§ 494  
20 and 494A] TITLE 7, SUBTITLES 3 AND 4 OF THE INSURANCE ARTICLE to the extent  
21 applicable before:

22 (1) That person may make a tender for or a request or invitation for tenders  
23 of or enter into an agreement to exchange securities for or acquire in the open market or  
24 otherwise, any voting security of a foreign health maintenance organization that is  
25 authorized to do business in this State or enter into any other such agreement if, after the  
26 consummation thereof, that person would, directly or indirectly, or by conversion or by  
27 exercise of any right to acquire be in control of the foreign health maintenance  
28 organization that is authorized to do business in this State; or

29 (2) That person may enter into an agreement to merge or consolidate with,  
30 or otherwise to acquire control of, a foreign health maintenance organization that is  
31 authorized to do business in this State.

32 (b) (1) Approval by the Insurance Commissioner shall be governed by [ Article  
33 48A, § 494(e)] § 7-306 OF THE INSURANCE ARTICLE.

34 19-712.3.

35 (a) Except as provided in subsection (d) of this section, for services rendered to  
36 its members or subscribers, a health maintenance organization shall accept as a properly  
37 filed claim and the sole instrument for reimbursement the uniform claims form submitted  
38 by a hospital or health care practitioner in accordance with [§ 490P of Article 48A of the  
39 Code] § 15-1003 OF THE INSURANCE ARTICLE.



25

1 19-713.1.

2 (b) Notwithstanding the provisions of subsection (a) of this section, a contract  
3 between a health maintenance organization and its subscribers or a group of subscribers  
4 may not contain nonduplication provisions or provisions to coordinate coverage with any  
5 individually underwritten and issued, guaranteed renewable, specified disease policy, as  
6 defined in [ Article 48A, § 468H of the Code] § 15-109 OF THE INSURANCE ARTICLE, or  
7 intensive care policy, which does not provide benefits on an expense incurred basis.

8 19-713.4.

9 (a) If a health maintenance organization requires its subscribers to have a referral  
10 to receive consultation services in writing, the health maintenance organization shall use  
11 the uniform consultation referral form adopted by the Commissioner under [Article 48A,  
12 § 490BB of the Code] § 15-120 OF THE INSURANCE ARTICLE as the sole instrument for  
13 referrals for consultation services.

14 19-714.

15 Each marketing document that sets forth the health care services of a health  
16 maintenance organization shall describe fully and clearly:

17 (6) All information required by [Article 48A, § 703(c) of the Code] §  
18 15-1206 OF THE INSURANCE ARTICLE.

19 19-716.

20 Annually, each health maintenance organization shall provide to its members and  
21 make available to the general public, in clear, readable, and concise form:

22 (7) The information required to be disclosed by [Article 48A, § 703(c) of  
23 the Code] § 15-1206 OF THE INSURANCE ARTICLE; and

24 19-727.

25 (b) (1) Each health maintenance organization that is authorized to operate  
26 under this subtitle is exempted from paying the premium tax imposed under [Article  
27 48A, § 632 of the Code] TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE.

28 (2) Premiums received by an insurer under policies that provide health  
29 maintenance organization benefits are not subject to the premium tax imposed under  
30 [Article 48A, § 632 of the Code] TITLE 6, SUBTITLE 1 OF THE INSURANCE ARTICLE to  
31 the extent:

32 (i) Of the amounts actually paid by the insurer to a nonprofit health  
33 maintenance organization that operates only as a health maintenance organization; or

34 (ii) The premiums have been paid by that nonprofit health  
35 maintenance organization.

36 19-729.

37 (a) A health maintenance organization may not:

26

1 (9) Violate any applicable provision of [Subtitle 55 of Article 48A of the  
2 Code] TITLE 15, SUBTITLE 12 OF THE INSURANCE ARTICLE; or

3 19-733.

4 Any party aggrieved by a final action of the Commissioner under this subtitle has  
5 the right to a hearing and the right to appeal from the action of the Commissioner under  
6 [Article 48A, §§ 35 through 40 of the Code] §§ 2-210 THROUGH 2-215 OF THE  
7 INSURANCE ARTICLE.

8 19-1301.

9 (f) "Private review agent" means:

10 (1) A nonhospital-affiliated person or entity performing utilization review  
11 that is either affiliated with, under contract with, or acting on behalf of:

12 (ii) A third party that provides or administers hospital benefits to  
13 citizens of this State, including:

14 2. A health insurer, nonprofit health service plan, health  
15 insurance service organization, or preferred provider organization authorized to offer  
16 health insurance policies or contracts in this State in accordance with [Article 48A of the  
17 Code] THE INSURANCE ARTICLE; or

18 19-1303.

19 (c) The Secretary may delegate the authority to issue a certificate to the  
20 Commissioner for any health insurer or nonprofit health service plan regulated under  
21 [Article 48A of the Code] THE INSURANCE ARTICLE or health maintenance  
22 organization issued a certificate of authority in accordance with Subtitle 7 of this title that  
23 meets the requirements of this subtitle and all applicable regulations of the Secretary.

24 19-1305.4.

25 (e) (1) The private review agent or health maintenance organization may not  
26 require additional documentation from, require additional utilization review of, or  
27 otherwise provide financial disincentives for an attending provider who orders care for  
28 which coverage is required to be provided under this section, § 19-703 of this article, or  
29 [Article 48A, §§ 354F, 470H, or 477-I of the Code] § 15-811 OF THE INSURANCE  
30 ARTICLE.

31 19-1306.

32 (d) The Secretary may delegate to the Commissioner the authority to renew a  
33 certificate to any health insurer or nonprofit health service plan regulated under [Article  
34 48A of the Code] THE INSURANCE ARTICLE or health maintenance organization issued  
35 a certificate of authority in accordance with Subtitle 7 of this title that meets the  
36 requirements of this subtitle and all applicable regulations of the Secretary.

37 19-1501.

38 (c) "Comprehensive standard health benefit plan" means the comprehensive  
39 standard health benefit plan adopted in accordance with [Article 48A, § 700 of the  
40 Code] § 15-1207 OF THE INSURANCE ARTICLE.

27

1 (h) "Payor" means:

2 (1) A health insurer or nonprofit health service plan that holds a certificate  
3 of authority and provides health insurance policies or contracts in the State in accordance  
4 with this article or [Article 48A of the Code] THE INSURANCE ARTICLE;

5 (2) A health maintenance organization that holds a certificate of authority  
6 in the State; or

7 (3) A third party administrator as defined in [Article 48A, § 490R of the  
8 Code] § 15-111 OF THE INSURANCE ARTICLE.

9 19-1502.

10 (c) The purpose of the Commission is to:

11 (5) Develop a uniform set of effective benefits to be included in the  
12 comprehensive standard health benefit plan to apply under [Subtitle 55 of Article 48A of  
13 the Code] TITLE 15, SUBTITLE 12 OF THE INSURANCE ARTICLE;

14 19-1507.

15 (i) The Commission, in consultation with the Insurance Commissioner, payors,  
16 health care practitioners, and hospitals, may adopt by regulation standards for the  
17 electronic submission of data and submission and transfer of the uniform claims forms  
18 established under [Article 48A, § 490P of the Code] § 15-1003 OF THE INSURANCE  
19 ARTICLE.

20 19-1509.

21 (a) (3) "Payor" means:

22 (i) A health insurer or nonprofit health service plan that holds a  
23 certificate of authority and provides health insurance policies or contracts in the State in  
24 accordance with [Article 48A of the Code] THE INSURANCE ARTICLE or the Health -  
25 General Article;

26 19-1510.

27 (a) In addition to the duties set forth elsewhere in this subtitle, the Commission  
28 shall adopt regulations specifying the comprehensive standard health benefit plan to  
29 apply under [Subtitle 55 of Article 48A of the Code] TITLE 15, SUBTITLE 12 OF THE  
30 INSURANCE ARTICLE.

31 (b) In carrying out its duties under this section, the Commission shall comply with  
32 the provisions of [Article 48A, § 700 of the Code] § 15-1207 OF THE INSURANCE  
33 ARTICLE.

34 19-1515.

35 (c) (1) The fees assessed on payors in accordance with [Article 48A, § 490R of  
36 the Code] § 15-111 OF THE INSURANCE ARTICLE shall be apportioned among each  
37 payor based on the ratio of each such payor's total premiums collected in the State to the  
38 total collected premiums of all such payors in the State.

28

1 **Article - Health Occupations**

2 1-208.

3 (a) (3) "Third party payor" means any person that administers or provides  
4 reimbursement for health care benefits on an expense incurred basis including:

5 (ii) A health insurer or nonprofit health service plan authorized to  
6 offer health insurance policies or contracts in this State in accordance with [Article 48A  
7 of the Code] THE INSURANCE ARTICLE; or

8 (iii) A third party administrator registered under [Article 48A of the  
9 Code] THE INSURANCE ARTICLE.

10 (4) "Uniform claims form" means the claim or billing form for  
11 reimbursement of services rendered by a health care practitioner adopted by the  
12 Insurance Commissioner under [§ 490P of Article 48A of the Code] § 15-1003 OF THE  
13 INSURANCE ARTICLE.

14 1-305.

15 (b) If a claim, bill, or other demand or request for payment for health care  
16 services is denied under § 19-712.4 of the Health - General Article or [§ 354MM, §  
17 470CC, or § 477MM of Article 48A of the Code] § 15-110 OF THE INSURANCE ARTICLE,  
18 the referring health care practitioner, health care entity, or other person furnishing the  
19 health care services may not submit a claim, bill, or other demand or request for payment  
20 to the person who received the health care services.

21 3-313.

22 Subject to the hearing provisions of § 3-315 of this subtitle, the Board may deny a  
23 license to any applicant, reprimand any licensee, place any licensee on probation, with or  
24 without conditions, or suspend or revoke a license, or any combination thereof, if the  
25 applicant or licensee:

26 (23) Is convicted of insurance fraud under [Article 48A, § 233A of the  
27 Code] § 27-801 OF THE INSURANCE ARTICLE;

28 7-407.

29 (a) A licensed funeral director shall provide to the surviving spouse or immediate  
30 family members of the deceased or authorized representative a notice which advises that  
31 certain individuals may be entitled to continuation of group health insurance benefits  
32 under [Article 48A, § 490G of the Code] § 15-407 OF THE INSURANCE ARTICLE.

33 (c) A licensed funeral director who fails to provide notice under subsection (a) of  
34 this section shall not be liable to any person for benefits which would have otherwise been  
35 payable under [Article 48A, § 490G of the Code] § 15-407 OF THE INSURANCE ARTICLE  
36 or other damages resulting from the failure to provide notice.

37 13-316.

38 Subject to the hearing provisions of § 13-317 of this subtitle, the Board may deny a  
39 license, temporary license, or restricted license to any applicant, reprimand any licensee

29

1 or holder of a temporary license or restricted license, place any licensee or holder of a  
2 temporary license or restricted license on probation, or suspend or revoke a license,  
3 temporary license, or restricted license if the applicant, licensee, or holder:

4 (22) Is convicted under insurance fraud[ under Article 48A, § 233A of the  
5 Code] AS DEFINED IN § 27-801 OF THE INSURANCE ARTICLE; or

6 14-404.

7 (a) Subject to the hearing provisions of § 14-405 of this subtitle, the Board, on the  
8 affirmative vote of a majority of its full authorized membership, may reprimand any  
9 licensee, place any licensee on probation, or suspend or revoke a license if the licensee:

10 (34) Is convicted of insurance fraud [under Article 48A, § 233A of the  
11 Code] AS DEFINED IN § 27-801 OF THE INSURANCE ARTICLE;

12 14-509.

13 A physician shall use the uniform laboratory referral form adopted by the Insurance  
14 Commissioner under [Article 48A, § 490BB of the Code] § 15-120 OF THE INSURANCE  
15 ARTICLE.

16 **Article - Labor and Employment**

17 8-603.

18 (a) Each employer shall keep posted in places readily accessible to its employees  
19 printed statements that are provided without cost to the employer by the Secretary about:

20 (3) the right of some employees to continuation of health insurance  
21 coverage under [Article 48A, § 490G of the Code] § 15-407 OF THE INSURANCE  
22 ARTICLE; and

23 8-805.

24 (c) At the time a claim is made, the Secretary shall give each claimant a notice in  
25 the form required by the Insurance Commissioner that states that the claimant may be  
26 entitled to continuation of group health insurance benefits under [Article 48A, § 490-I of  
27 the Code] § 15-409 OF THE INSURANCE ARTICLE.

28 9-309.

29 (e) The Commission may approve the form of a workers' compensation insurance  
30 policy under [Article 48A, § 482E of the Code] § 19-402 OF THE INSURANCE ARTICLE.

31 9-316.

32 (a) (3) "Insurer" means:

33 (i) a stock corporation or mutual association that is authorized under  
34 [Article 48A of the Code] THE INSURANCE ARTICLE to provide workers' compensation  
35 insurance in the State;

36 (iv) a self-insurance group of private employers that meets the  
37 requirements of [Article 48A, Subtitle 44 of the Code] TITLE 25, SUBTITLE 3 OF THE  
38 INSURANCE ARTICLE; or

30

1 9-401.

2 (b) "Authorized insurer" means a stock corporation or mutual association that is  
3 authorized under [Article 48A of the Code] THE INSURANCE ARTICLE to provide  
4 workers' compensation insurance in the State.

5 9-402.

6 (a) Subject to subsections (b) through (f) of this section, each employer shall  
7 secure compensation for covered employees of the employer by:

8 (4) participating in a self-insurance group of private employers that meets  
9 the requirements of [Article 48A, Subtitle 44 of the Code] TITLE 25, SUBTITLE 3 OF THE  
10 INSURANCE ARTICLE;

11 9-1006.

12 (d) If an insurer fails to comply with the insurance certification requirements of  
13 the Commissioner 5 times in a fiscal year, the Commission may:

14 (2) request that the insurer show cause why the Insurance Commissioner  
15 should not impose sanctions under [Article 48A, § 55A of the Code] § 4-113(D) OF THE  
16 INSURANCE ARTICLE.

17 10-122.

18 (a) If, at any time, the amount of money in the Fund exceeds the amount that the  
19 Board considers necessary for immediate use, the State Treasurer shall:

20 (1) invest the excess in any investment authorized under [Article 48A, §§ 97  
21 through 107 of the Code] TITLE 5, SUBTITLE 6 OF THE INSURANCE ARTICLE for  
22 insurance companies; or

23 10-126.

24 (b) (1) On or before October 1 of each year, the Fund shall submit to the  
25 Governor:

26 (iii) information about provision for claim payment, as defined in  
27 [Article 48A, § 244A(g) of the Code] § 11-330(A) OF THE INSURANCE ARTICLE, for  
28 each class for which the Fund writes coverage; and

29 (2) (ii) The form shall conform as closely as possible to the form that a  
30 rating organization uses to comply with [Article 48A, §§ 244G and 244Y of the Code] §§  
31 11-307, 11-329, AND 11-330 OF THE INSURANCE ARTICLE.

32 **Article - Real Property**

33 10-302.

34 (a) The bond shall be payable to the State for the use and benefit of every person  
35 protected by the provisions of this subtitle. The vendor or purchaser shall deposit the  
36 bond with the Insurance [Division] ADMINISTRATION.

37 (b) The corporate surety bond obtained pursuant to the provisions of § 10-301(a)  
38 shall be in a form approved by the Insurance [Division] ADMINISTRATION. The bond

31

1 may be either in the form of an individual bond for each deposit accepted by a vendor or  
2 builder or if the total amount of money and deposits accepted by the builder or vendor  
3 exceeds \$10,000, it may be in the form of a blanket bond assuring the return of the  
4 deposits received by the vendor or builder.

5 11-111.1.

6 (g) (1) A day care provider in a condominium:

7 (i) Shall obtain the liability insurance described under [Article 48A, §  
8 481D of the Code] §§ 19-106 AND 19-202 OF THE INSURANCE ARTICLE in at least the  
9 minimum amount described under that statute; and

10 **Article - State Finance and Procurement**

11 3-302.

12 (b) Unless, with the approval of the Secretary, a unit of the State government  
13 assigns the claim to the Central Collection Unit, the Central Collection Unit is not  
14 responsible for and may not collect:

15 (8) any money that is owed under [Article 48A, Subtitle 10, 16A, 33, or 34  
16 of the Code] TITLE 9, SUBTITLES 2, 3, AND 4 AND TITLE 20 OF THE INSURANCE  
17 ARTICLE.

18 **Article - State Government**

19 9-1607.1.

20 (a) An individual who is not licensed to practice law in this State may represent a  
21 party in a proceeding before the Office if:

22 (3) the individual is a designee of a corporation while appearing on its  
23 behalf in an administrative proceeding held under [Article 48A, § 240AA of the Code  
24 (automobile insurance)] § 27-605 OF THE INSURANCE ARTICLE; or

25 10-120.

26 (a) This Part IV of this subtitle does not apply to:

27 (4) the [Insurance Division of the Department of Labor, Licensing, and  
28 Regulation] INSURANCE ADMINISTRATION;

29 10-203.

30 (a) This subtitle does not apply to:

31 (3) the following agencies of the Executive Branch of the State government:

32 (iii) the [ Insurance Division of the Department of Labor, Licensing,  
33 and Regulation] INSURANCE ADMINISTRATION except as specifically provided in  
34 [Article 48A of the Code] THE INSURANCE ARTICLE;

35 10-302.

36 (a) This subtitle does not apply to:

32

1 (4) the [Insurance Division of the Department of Labor, Licensing, and  
2 Regulation] INSURANCE ADMINISTRATION;

3 10-502.

4 (h) (3) "Public body" does not include:

5 (x) a self-insurance pool that is established in accordance with  
6 [Article 48A, § 482B] TITLE 19, SUBTITLE 6 OF THE INSURANCE ARTICLE or § 9-404 of  
7 the Labor and Employment Article by:

8 1. a public entity, as defined in [Article 48A, § 482B of the  
9 Code] § 19-602 OF THE INSURANCE ARTICLE; or

10 10-616.

11 (l) Subject to the provisions of [Article 48A, § 747 of the Code] § 4-310 OF THE  
12 INSURANCE ARTICLE, a custodian shall deny inspection of all RBC reports and RBC  
13 plans and any other records that relate to those reports or plans.

14 **Article - Transportation**

15 15-604.

16 (a) This section does not apply to:

17 (2) A motor club that is in compliance with the surety bond requirement of  
18 [Article 48B, § 3(b)(5) of the Code] § 26-204 OF THE INSURANCE ARTICLE.

19 17-103.

20 (b) The security required under this subtitle shall provide for at least:

21 (3) Unless waived, the benefits described under [Article 48A, § 539 of the  
22 Code] § 19-505 OF THE INSURANCE ARTICLE as to basic required primary coverage; and

23 (4) The benefits required under [Article 48A, § 541 of the Code] § 19-509  
24 OF THE INSURANCE ARTICLE as to required additional coverage.

25 17-105.

26 (a) If a person has been finally rejected for insurance by the Maryland  
27 Automobile Insurance Fund under [Article 48A, § 243D of the Code] § 27-504 OF THE  
28 INSURANCE ARTICLE, the person shall, within 10 days after the rejection, furnish  
29 evidence satisfactory to the Administration that he has obtained and is covered by the  
30 required security.

31 17-209.

32 (e) A judgment debtor under [Article 48A, § 243H of the Code] TITLE 20,  
33 SUBTITLE 6 OF THE INSURANCE ARTICLE who has been suspended at least 3 times  
34 under subsection (c) may not resume the privilege of installment payments unless:

35 (1) The fund receives payment in an amount satisfactory to the fund; and

36 (2) The fund consents to the resumption of installment payments.



33

1 26-404.

2 (a) (4) "Motor club" has the meaning stated in [Article 48B, § 1 of the Code]  
3 § 26-101 OF THE INSURANCE ARTICLE.

4 (5) "Surety company" means any company designated as a surety company  
5 under [Article 48A, Subtitle 29 of the Code] TITLE 21 OF THE INSURANCE ARTICLE.

6 (d) Any surety company may become surety for persons posting guaranteed arrest  
7 bond certificates, by filing an undertaking to become surety with the [State Insurance  
8 Division] INSURANCE ADMINISTRATION.

9 SECTION 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
10 read as follows:

11 **Article - Health - General**

12 19-706.

13 (l) The provisions of [Article 48A, § 490JJ of the Code] § 15-116 OF THE  
14 INSURANCE ARTICLE apply to health maintenance organizations.

15 SECTION 6. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
16 read as follows:

17 **Article - Health - General**

18 19-1515.

19 (c) (1) The fees assessed on payors in accordance with [Article 48A, § 490R of  
20 the Code] § 15-111 OF THE INSURANCE ARTICLE shall be apportioned among each  
21 payor based on the ratio of each payor's total premiums collected in the State to the total  
22 collected premiums of all payors in the State.

23 SECTION 7. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
24 read as follows:

25 **Article - Insurance**

26 4-112.

27 (e) (3) In addition to the monetary penalties imposed under this subsection, on  
28 July 1 of each year, for each insurer that fails to file its renewal application and  
29 continuation fee on or before June 30, the Commissioner may:

30 (i) order that the insurer cease and desist from engaging further from  
31 the writing of insurance in this State in accordance with [§ 55 ] § 4-114 of this article; or

32 DRAFTER'S NOTE:

33 %Error: Incorrect cross-reference in § 4-112(e)(3)(i) of the Insurance Article.  
34 Occurred: Ch. 456, Acts of 1996.

34

1 5-304.

2 (b) For an ordinary policy of life insurance issued on the standard basis, excluding  
3 any disability and accidental death benefits in the policy, the applicable table for the  
4 minimum standard for the valuation of the policy is:

5 (1) if the policy was issued before the operative date of [§ 15-308(c) [48A §  
6 414(j)]] § 16-308 of this article, the Commissioners 1941 Standard Ordinary Mortality  
7 Table;

8 (2) if the policy was issued on or after the operative date of [ § 15-308(c)  
9 [48A § 414(j)]] § 16-308 of this article but before the operative date of [§ 15-309 [48A §  
10 414(k-1)]]§ 16-309 of this article:

11 (i) the Commissioners 1958 Standard Ordinary Mortality Table; or

12 (ii) at the election of the insurer, the Commissioners 1958 Standard  
13 Ordinary Mortality Table, calculating all modified net premiums and present values  
14 referred to in this subtitle for any category of policies issued on female risks according to  
15 an age not more than 6 years younger than the actual age of the insured; and

16 (3) if the policy was issued on or after the operative date of [§ 15-309 [48A  
17 § 414(k-1)]]§ 16-309 of this article:

18 (i) the Commissioners 1980 Standard Ordinary Mortality Table or, at  
19 the election of the insurer for any one or more specified plans of life insurance, the  
20 Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality  
21 Factors; or

22 (ii) any ordinary mortality table, adopted after 1980 by the National  
23 Association of Insurance Commissioners and approved by a regulation of the  
24 Commissioner for use in determining the minimum standard of valuation for the policy.

25 (c) For an industrial life insurance policy issued on the standard basis, excluding  
26 any disability and accidental death benefits in the policy, the applicable table for the  
27 minimum standard for the valuation of the policy is:

28 (1) if the policy was issued before the operative date of [§ 15-308(d) [48A  
29 § 414(k)]]§ 16-308(D) of this article, the 1941 Standard Industrial Mortality Table; and

30 (2) if the policy was issued on or after the operative date of [§  
31 15-308(d)[48A § 414(k)]]§ 16-308(D) of this article:

32 (i) the Commissioners 1961 Standard Industrial Mortality Table; or

33 (ii) any industrial mortality table, adopted after 1980 by the National  
34 Association of Insurance Commissioners and approved by regulation of the  
35 Commissioner for use in determining the minimum standard of valuation for the policy.

36 DRAFTER'S NOTE:

37 %Error: Incorrect cross-references in § 5-304(b) and (c) of the Insurance  
38 Article.

35

1 Occurred: Ch. 36, Acts of 1995.

2 6-105.

3 (b) A person that is subject to taxation under this subtitle may claim a tax credit  
4 against the tax imposed for neighborhood and community assistance contributions as  
5 provided under Article 83B,[ § 11-1004] § 4-704 of the Code.

6 DRAFTER'S NOTE:

7 %Error: Incorrect cross-reference in § 6-105(b) of the Insurance Article.

8 Occurred: Ch. 636, Acts of 1996.

9 8-301.

10 (f) (2) "Plan" does not include a fund or arrangement established or  
11 maintained solely for the purpose of complying with the [worker's] WORKERS'  
12 compensation laws of the State.

13 DRAFTER'S NOTE:

14 %Error: Grammatical error in § 8-301(f)(2) of the Insurance Article.

15 Occurred: Ch. 456, Acts of 1996.

16 8-308.

17 (b) Before a registration expires, the registrant may renew it for an additional  
18 1-year term, if the registrant:

19 (4) except as provided in § 8-306(d) of this subtitle, [file] FILES with the  
20 Commissioner evidence of a bond in compliance with § 8-306 of this subtitle.

21 DRAFTER'S NOTE:

22 %Error: Grammatical error in § 8-308(b)(4) of the Insurance Article.

23 Occurred: Ch. 36, Acts of 1995.

24 8-403.

25 (b) (1) In addition to the provisions of this subtitle, the following provisions of  
26 this article apply to societies to the extent not in conflict with the express provisions and  
27 reasonable implications of this subtitle:

28 (i) Title 1 of this article[ ("Definitions; General Provisions")];

29 (ii) Title 2, Subtitle 1 of this article [("Organization of  
30 Administration; General Powers and Duties of Commissioner")], including § 2-112 of  
31 this article [("Fees")];

32 (iii) Title 2, Subtitle 2 of this article [("Enforcement")];

33 (iv) § 3-117 of this article [("Loans to and guarantees of obligations of  
34 directors and officers")];

36

- 1 (v) § 3-127 of this article [("Sale of securities");  
2 (vi) § 4-102(b) of this article[ ("Name of insurer");  
3 (vii) § 4-113(a)(7), (8), and (9) of this article [("Mandatory  
4 grounds"]);  
5 (viii) § 4-203 of this article [("Representing or helping unauthorized  
6 insurer prohibited)];  
7 (ix) § 4-204 of this article [("Advertisement of unauthorized  
8 insurers)];  
9 (x) § 5-103 of this article [("Liabilities");  
10 (xi) § 5-201 of this article [("Reserve requirements for life insurer,  
11 nonprofit health service plan, and fraternal benefit society");  
12 (xii) Title 9, Subtitle 2 of this article [("Conservation, Rehabilitation,  
13 and Liquidation of Insurers)];  
14 (xiii) § 10-120 of this article [("Temporary certificates");  
15 (xiv) [ Title 14, Subtitle X of this article (48A, §§ 468B through 468GB;  
16 "Medicare Supplement Act")] TITLE 15, SUBTITLE 9 OF THIS ARTICLE;  
17 (xv) [Title XX of this article (48A, Subtitle 15; "Unfair Trade  
18 Practices")] TITLE 27 OF THIS ARTICLE; and  
19 (xvi) [ § XX-XXX of this article (48A, § 12; "General penalty")] §  
20 1-301 OF THIS ARTICLE.

21 DRAFTER'S NOTE:

22 %Error: Stylistic errors and incomplete cross-references in § 8-403(b)(1) of  
23 the Insurance Article.  
24 Occurred: Ch. 36, Acts of 1995.

25 9-201.

26 (f) "Foreign country" means territory outside of any state.

27 DRAFTER'S NOTE:

28 %Error: Grammatical error in § 9-201(f) of the Insurance Article.  
29 Occurred: Ch. 11, Acts of 1996. Correction by the Michie Company in the  
30 1996 Supplement to the 1995 Volume of the Insurance Article is validated by  
31 this Act.

32 9-215.

33 (d) (1) At any time after issuance of an ex parte order under this [subsection]  
34 SECTION, an insurer subject to the order may petition the court for a hearing and review  
35 of the order.

37

1 DRAFTER'S NOTE:

2 %Error: Erroneous internal reference in § 9-215(d)(1) of the Insurance  
3 Article.  
4 Occurred: Ch. 11, Acts of 1996.

5 9-225.

6 (d) The assessment of a member or subscriber is presumed correct if made by the  
7 Commissioner in accordance with a court order that:

8 (2) approves the classification and formula made by the Commissioner  
9 under [subsection (a)] SUBSECTION (B) of this section.

10 DRAFTER'S NOTE:

11 %Error: Erroneous internal reference in § 9-225(d)(2) of the Insurance  
12 Article.  
13 Occurred: Ch. 11, Acts of 1996.

14 9-226.

15 (a) (1) If on issuance of an order of liquidation under this subtitle or at any time  
16 during a liquidation proceeding the insurer is not clearly solvent, the court, after notice it  
17 considers proper and A hearing, shall issue an order that the insurer is an impaired  
18 insurer.

19 DRAFTER'S NOTE:

20 %Error: Omitted article in § 9-226(a)(1) of the Insurance Article.  
21 Occurred: Ch. 11, Acts of 1996.

22 9-230.

23 (d) An officer, manager, director, trustee, owner, employee, or agent of an  
24 insurer, another person with authority over any part of the affairs of the insurer, or a  
25 person that exercises control directly or indirectly over an activity of the insurer through  
26 a holding company or other affiliate of the insurer may not fail to cooperate with the  
27 Commissioner[, under subsection (a)] UNDER SUBSECTION (B) of this section, obstruct  
28 or interfere with the Commissioner in the conduct of a delinquency proceeding or in an  
29 investigation preliminary or incidental to a delinquency proceeding, or violate an order of  
30 the Commissioner issued under this subtitle.

31 DRAFTER'S NOTE:

32 %Error: Unnecessary comma and erroneous internal reference in § 9-230(d)  
33 of the Insurance Article.  
34 Occurred: Ch. 11, Acts of 1996.

38

1 9-409.

2 (d) (4) (ii) Because exact determinations may not always be possible, the  
3 Board shall make classifications of assessments [under subsection (a) of this section] and  
4 computation of assessments under this subsection with a reasonable degree of accuracy.

5 DRAFTER'S NOTE:

6 %Error: Erroneous internal reference in § 9-409(d)(4)(ii) of the Insurance  
7 Article.  
8 Occurred: Ch. 11, Acts of 1996.

9 9-410.

10 (a) (2) (i) If the Corporation fails to submit suitable amendments to the plan  
11 of operation, the Commissioner, after notice and hearing, shall adopt reasonable  
12 regulations as necessary or advisable to carry out this subtitle.

13 DRAFTER'S NOTE:

14 %Error: Grammatical error in § 9-410(a)(2)(i) of the Insurance Article.  
15 Occurred: Ch. 11, Acts of 1996. Correction by the Michie Company in the  
16 1996 Supplement to the 1995 Volume of the Insurance Article is validated by  
17 this Act.

18 13-109.

19 (b) (3) If the insurer accepts the insurance, [and] within 30 days after the date  
20 the indebtedness is incurred, the insurer shall cause the individual policy or group  
21 certificate to be delivered to the debtor.

22 DRAFTER'S NOTE:

23 %Error: Unnecessary conjunction in § 13-109(b)(3) of the Insurance Article.  
24 Occurred: Ch. 11, Acts of 1996.

25 15-115.

26 (b) A carrier that operates a managed care organization under Title 15, Subtitle 1  
27 of the Health - General Article may not deny, limit, or otherwise impair the participation  
28 of a provider under contract with the carrier for choosing not to participate or limiting  
29 participation in the carrier's managed care organization if the carrier is in violation of [§  
30 15-102.4] § 15-102.5 of the Health - General Article.

31 DRAFTER'S NOTE:

32 %Error: Incorrect cross-reference in § 15-115(b) of the Insurance Article.  
33 Occurred: Ch. \_\_\_\_ (H.B.11), Acts of 1997, as a result of Ch. 352, Acts of  
34 1996.

39

1 16-105.

2 (b) Each policy of life insurance or annuity contract subject to this title shall have  
3 attached to or prominently printed on its face the FOLLOWING information:

4 (1) a notice to the policyholder that:

5 (i) for 10 days after the date the policy or annuity contract is delivered  
6 to the policyholder, the policyholder may surrender the policy or annuity contract to the  
7 insurer for cancellation by giving the insurer written notice of cancellation; and

8 (ii) the insurer shall return to the policyholder a pro rata premium for  
9 the unexpired term of the policy or annuity contract; or

10 (2) a similar notice to the policyholder that in the opinion of the  
11 Commissioner is not less favorable to the policyholder.

12 DRAFTER'S NOTE:

13 %Error: Omitted word in § 16-105(b) of the Insurance Article.

14 Occurred: Ch. 11, Acts of 1996.

15 16-215.

16 (b) (1) A policy of life insurance may contain a provision that excludes or  
17 restricts coverage for death under any of the following circumstances:

18 (i) death as a direct or indirect result of:

19 4. service in the military forces or in civilian forces auxiliary to  
20 the military forces; OR

21 DRAFTER'S NOTE:

22 %Error: Omitted conjunction in § 16-215(b)(1)(i)4 of the Insurance Article.

23 Occurred: Ch. 11, Acts of 1996.

24 16-313.

25 This subtitle is the ["Maryland Standard Nonforfeiture Law for Life Insurance"]  
26 MARYLAND STANDARD NONFORFEITURE LAW FOR LIFE INSURANCE.

27 DRAFTER'S NOTE:

28 %Error: Unnecessary use of quotation marks in § 16-313 of the Insurance  
29 Article.

30 Occurred: Ch. 11, Acts of 1996.

31 16-503.

32 (e) (2) Each annuity contract shall contain an explanation OF how benefits are  
33 altered due to any additional amount that the insurer credits to the annuity contract, any  
34 indebtedness to the insurer on the annuity contract, and any prior withdrawal from or  
35 partial surrender of the annuity contract.

40

1 DRAFTER'S NOTE:

2 %Error: Omitted word in § 16-503(e)(2) of the Insurance Article.

3 Occurred: Ch. 11, Acts of 1996.

4 16-506.

5 (c) The present value under subsection (b)(1) of this section shall be calculated  
6 using an interest rate not more than 1% higher than the interest rate specified in the  
7 contract for accumulating net considerations to determine the maturity value.

8 DRAFTER'S NOTE:

9 %Error: Erroneous internal reference in § 16-506(c) of the Insurance Article.

10 Occurred: Ch. 11, Acts of 1996. Correction by the Michie Company in the  
11 1996 Volume of the Insurance Article is validated by this Act.

12 16-509.

13 (c) Notwithstanding [§§ 16-505 through 16-509] THIS SECTION AND §§ 16-505  
14 THROUGH 16-508 of this subtitle, the following supplemental benefits and considerations  
15 for the benefits shall be disregarded when calculating the minimum nonforfeiture  
16 amounts, paid-up annuity, cash surrender, and death benefits required under this  
17 subtitle:

18 (1) benefits payable for total and permanent disability;

19 (2) benefits payable as reversionary annuity or deferred reversionary  
20 annuity benefits; or

21 (3) other policy benefits additional to life insurance, endowment, and  
22 annuity benefits.

23 DRAFTER'S NOTE:

24 %Error: Incorrect cross-references in § 16-509(c) of the Insurance Article.

25 Occurred: Ch. 11, Acts of 1996.

26 16-510.

27 This subtitle is the ["Maryland Standard Nonforfeiture Law for Individual  
28 Deferred Annuities"] MARYLAND STANDARD NONFORFEITURE LAW FOR  
29 INDIVIDUAL DEFERRED ANNUITIES.

30 DRAFTER'S NOTE:

31 %Error: Unnecessary use of quotation marks in § 16-510 of the Insurance  
32 Article.

33 Occurred: Ch. 11, Acts of 1996.

34 17-205.

35 (a) (1) In this section the following words have the meanings indicated.



41

1 [(2)] (3) "Public employer" means a county, municipal corporation,  
2 association of counties or municipal corporations, State college or university, or unit of  
3 State, county, or municipal corporation government.

4 [(3)] (2) "Public employees association" means an association of federal,  
5 State, county, or municipal corporation employees.

6 DRAFTER'S NOTE:

7 %Error: Terms in incorrect alphabetical order in § 17-205(a) of the Insurance  
8 Article.

9 Occurred: Ch. 11, Acts of 1996.

10 20-202.

11 (b) (3) Except as provided in [§ 20-203(b)(3)] § 20-203(A)(3) of this subtitle,  
12 the Executive Director may vote on all matters before the Board of Trustees.

13 DRAFTER'S NOTE:

14 %Error: Incorrect cross-reference in § 20-202(b)(3) of the Insurance Article.  
15 Occurred: Ch. 11, Acts of 1996.

16 20-501.

17 (b) [In this subtitle, "covered vehicle"] "COVERED VEHICLE" includes an  
18 automobile, truck, van, and trailer.

19 (c) [In this subtitle, "covered vehicle"] "COVERED VEHICLE" does not include a  
20 motorcycle or motorbike.

21 DRAFTER'S NOTE:

22 %Error: Stylistic errors in § 20-501(b) and (c) of the Insurance Article.  
23 Occurred: Ch. 11, Acts of 1996.

24 20-504.

25 (a) (2) [In this section, "add-on coverage" ] "ADD-ON COVERAGE" includes:

26 (i) rental reimbursement coverage;

27 (ii) personal effects theft coverage;

28 (iii) collision and comprehensive deductible waiver coverage, other  
29 than collision and comprehensive coverages provided by the Fund or other authorized  
30 insurers;

31 (iv) supplemental hospital benefit coverage;

32 (v) emergency living expense coverage;

33 (vi) vehicle towing coverage; and

42

1 (vii) emergency vehicle repair service coverage.

2 (3) [ In this section, "add-on coverage" ] "ADD-ON COVERAGE" does not  
3 include fire, life, and health insurance coverages that are not directly related to the  
4 underlying motor vehicle insurance coverage and are written by an authorized insurer.

5 DRAFTER'S NOTE:

6 %Error: Stylistic errors in § 20-504(a)(2) and (3) of the Insurance Article.  
7 Occurred: Ch. 11, Acts of 1996.

8 20-601.

9 (a) (1) In this section, "qualified person" means:

10 (ii) the owner of a motor vehicle registered in the State, unless the  
11 owner is not a resident of the State and the motor vehicle bears temporary registration  
12 plates issued under Title 13, Subtitle 6, Part I of the Transportation Article;

13 (2) [ In this section, "qualified person" ] "QUALIFIED PERSON" does not  
14 include:

15 (i) an automobile collision insurer or other insurer that seeks by  
16 subrogation to recover payment for damages to a motor vehicle or real or other personal  
17 property, or injuries to individuals under any insurance coverages, including collision,  
18 fire, theft, medical payments, and uninsured motorist coverages;

19 (ii) a holder of a certificate of self-insurance under this article; or

20 (iii) an insured under a policy provision that:

21 1. provides coverage for damages sustained by the insured as a  
22 result of the operation of an uninsured motor vehicle; and

23 2. is authorized to be included in an automobile liability policy  
24 delivered or issued for delivery in the State.

25 DRAFTER'S NOTE:

26 %Error: Extraneous comma in § 20-601(a)(1)(ii) and stylistic error in §  
27 20-601(a)(2) of the Insurance Article.  
28 Occurred: Ch. 11, Acts of 1996. Correction of § 20-601(a)(1)(ii) by the  
29 Michie Company in the 1996 Volume of the Insurance Article is validated by  
30 this Act.

31 20-603.

32 (b) The notice of a claim shall contain:

33 (1) evidence that the claimant:

34 (ii) is not eligible for uninsured motorist coverage benefits from a  
35 policy issued to the claimant or a family member who resides in the claimant's household;

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1 DRAFTER'S NOTE:

2 %Error: Extraneous conjunction in § 20-603(b)(1)(ii) of the Insurance Article.  
3 Occurred: Ch. 11, Acts of 1996. Correction by the Michie Company in the  
4 1996 Volume of the Insurance Article is validated by this Act.

5 24-206.

6 On approval of the application for a certificate of authority, the Commissioner shall  
7 issue to the Society a certificate of authority that authorizes the Society to issue:

8 (1) the following policies of casualty insurance:

9 (ii) insurance against the liability of a person for whose acts or  
10 omissions a physician or other health care provider is responsible under subitem (i) of this  
11 item or with whom the physician or other health care provider is associated, including  
12 partners, employees, employers, associates, consultants, or a professional service  
13 corporation whose stock the insured owns; AND

14 DRAFTER'S NOTE:

15 %Error: Omitted conjunction in § 24-206(1)(ii) of the Insurance Article.  
16 Occurred: Ch. 11, Acts of 1996.

17 25-308.

18 (c) [(1)] Notwithstanding any other provision of this subtitle, after notice and  
19 opportunity for a hearing, the Commissioner may suspend or revoke the authority of a  
20 self-insurance group to operate if the Commissioner determines that the self-insurance  
21 group:

22 [(i)] (1) is insolvent;

23 [(ii)] (2) failed to pay the special fund contribution or regulatory fee  
24 imposed on the self-insurance group;

25 [(iii)] (3) failed to comply within the time set with a provision of this  
26 subtitle, a regulation adopted under this subtitle, or a lawful order of the Commissioner;

27 [(iv)] (4) obtained its authority to operate by fraud, including making a  
28 material misrepresentation in the application for authority to operate as a self-insurance  
29 group;

30 [(v)] (5) misappropriated, converted, illegally withheld, or refused to  
31 pay on proper demand moneys that have been entrusted to the self-insurance group or its  
32 administrator in its fiduciary capacity and that belong to a member of the self-insurance  
33 group, an employee of a member, or a person entitled to payment; or

34 [(vi)] (6) for any other reason, must have its authority to operate  
35 suspended or revoked to protect the members or insureds of a self-insurance group or the  
36 public.

37 DRAFTER'S NOTE:

44

1 Error: Incorrect tabulation in § 25-308(c)(1) and extraneous conjunction in  
2 § 25-308(c)(1)(iv) of the Insurance Article.  
3 Occurred: Ch. 11, Acts of 1996. Correction of the extraneous conjunction in  
4 § 25-308(c)(1)(iv) by the Michie Company in the 1996 Volume of the  
5 Insurance Article is validated by this Act.

6 25-405.

7 (g) (2) The homeowner's insurance policies that the Association issues may be  
8 limited to basic market value, repair cost, or actual cash value contracts for  
9 owner-occupants of one- to four-family dwellings, as approved by the Commissioner.

10 DRAFTER'S NOTE:

11 %Error: Grammatical error in § 25-405(g)(2) of the Insurance Article.  
12 Occurred: Ch. 11, Acts of 1996. Correction by the Michie Company in the  
13 1996 Volume of the Insurance Article is validated by this Act.

14 26-205.

15 (b) If the Commissioner disapproves the application for a license, the  
16 Commissioner shall notify the applicant as soon as practicable of the reason for the  
17 disapproval and inform the applicant of its right to a hearing on the matter as provided in  
18 § 26-209 of this [title] SUBTITLE.

19 DRAFTER'S NOTE:

20 %Error: Stylistic error in § 26-205 (b) of the Insurance Article.  
21 Occurred: Ch. 11, Acts of 1996.

22 **Article - Tax - General**

23 10-104.

24 The income tax does not apply to the income of:

25 (1) a common trust fund, as defined in § 3-501(b) of the Financial  
26 Institutions Article;

27 (2) except as provided in §§ 10-101(c-1)(3) and 10-304(2) of this title, an  
28 organization that is exempt from taxation under § 408(e)(1) or § 501 of the Internal  
29 Revenue Code;

30 (3) a financial institution that is subject to the financial institution franchise  
31 tax;

32 (4) [ an insurance company, within the meaning of the meaning of Article  
33 48A of the Code] A PERSON SUBJECT TO TAXATION UNDER TITLE 6 OF THE  
34 INSURANCE ARTICLE;

35 (5) except as provided in § 10-102.1 of this subtitle, a partnership, as  
36 defined in § 761 of the Internal Revenue Code;

45

1 (6) except as provided in § 10-102.1 of this subtitle and § 10-304(3) of this  
2 title, an S corporation;

3 (7) except as provided in § 10-304(4) of this title, an investment conduit or  
4 a special exempt entity; or

5 (8) except as provided in § 10-102.1 of this subtitle, a limited liability  
6 company as defined under Title 4A of the Corporations and Associations Article to the  
7 extent that the company is taxable as a partnership, as defined in § 761 of the Internal  
8 Revenue Code.

9 DRAFTER'S NOTE:

10 %Error: Obsolete terminology in § 10-104(4) of the Tax - General Article.

11 Occurred: As a result of Ch. 36, Acts of 1995.

## 12 Chapter 379 of the Acts of 1996

13 SECTION 3. AND BE IT FURTHER ENACTED, That:

14 (c) any excess credits may be carried forward and, subject to the limitations  
15 of [Article 48A, § 56] ARTICLE 88A, § 54 of the Code, may be applied as a credit for  
16 taxable years beginning on or after January 1, 2002.

17 DRAFTER'S NOTE:

18 %Error: Incorrect cross-reference in Section 3 of Chapter 379 of the Acts of

19 1996.

20 Occurred: Ch. 379, Acts of 1996.

21 SECTION 8. AND BE IT FURTHER ENACTED, That Section(s) 168(d) and  
22 176(f) of Article 48A - Insurance Code of the Annotated Code of Maryland be repealed  
23 and reenacted, with amendments, and transferred to the Session Laws, to read as follows:

### 24 Agents and Brokers Licensed or Qualified on June 30, 1985

25 [168.] 1.

26 [(d) (1)] (A) A person who was licensed or qualified to act as an agent or broker  
27 on June 30, 1985 may obtain a certificate of qualification to act as an agent or broker, or  
28 both, for the kind or kinds of insurance or subdivisions thereof for which that person was  
29 previously licensed or qualified by filing the appropriate application for an original  
30 certificate of qualification with the Commissioner and paying the fee for an original  
31 agent's or broker's certificate of qualification, or both, as specified under [§ 41 of this  
32 article] § 2-112 OF THE INSURANCE ARTICLE.

33 [(2)] (B) Agents and brokers shall apply for certificates according to the  
34 following schedule:

35 [(i)] (1) An agent or broker who possesses a valid license as of June 30,  
36 1985 shall apply for a certificate of qualification upon the first expiration or renewal date  
37 of any existing license or licenses.

46

1                    [(ii)] (2) An agent who is on June 30, 1985 qualified to act as an agent  
 2 but not possessing a license because of lack of agent contract shall apply for a certificate  
 3 of qualification on the earlier of the date of obtaining that agent's first agent contract, or  
 4 the date specified in subparagraph [(iii)] (3) of this paragraph.

5                    [(iii)] (3) A person may not obtain a certificate of qualification based on  
 6 pre-July 1, 1985 qualifications after June 30, 1987.

7                    REVISOR'S NOTE: This section formerly was Art. 48A, § 168(d).  
 8                    %Former Art. 48A, § 168(d) permitted grandfathering for persons who were  
 9                    licensed or qualified to act as an agent or broker on June 30, 1985. Because of  
 10                    its limited and diminishing applicability, this provision is transferred to the  
 11                    Session Laws.  
 12                    The only changes are in style.

13 [176.] 2.

14                    [(f)] Any person who has met the conditions of qualifications set forth in [this  
 15 section and in §§ 177 and 178 of this subtitle] TITLE 10, SUBTITLE 1 OF THE INSURANCE  
 16 ARTICLE on June 30, 1985 will be presumed to have met the qualification provisions.

17                    REVISOR'S NOTE: This section formerly was Art. 48A, § 176(f).  
 18                    %Former Art. 48A, § 176(f) permitted grandfathering for persons who were  
 19                    licensed or qualified to act as an agent or broker on June 30, 1985. Because of  
 20                    its limited and diminishing applicability, this provision is transferred to the  
 21                    Session Laws.  
 22                    The only changes are in style.

23                    SECTION 9. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 24 read as follows:

25 **Article 41 - Governor - Executive and Administrative Departments**

26                    [Subtitle 4. Maryland Insurance Administration.]

27 [10-401.

28                    The head of the Maryland Insurance Administration is the Maryland Insurance  
 29 Commissioner who shall:

30                    (1) Be appointed by the Governor with the advice and consent of the  
 31 Senate; and

32                    (2) Have the rights, powers, duties, obligations, and functions previously  
 33 exercised by the Insurance Commissioner within the Insurance Division.]

34                    SECTION 10. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 35 read as follows:

47

1                   **Article - Insurance**

2 1-202.

3                   This article does not apply to:

4                   (1) a fraternal benefit society, except as provided in Title 8, Subtitle 4 of this  
5 article;

6                   (2) a nonprofit health service plan, except as otherwise provided in this  
7 article; or

8                   (3) an organization that:

9                   (i) is organized and operated as a nonprofit organization exclusively  
10 for the purpose of helping nonprofit educational or scientific institutions by issuing  
11 annuity contracts only to or for the benefit of those institutions or individuals serving  
12 those institutions;

13                   (ii) irrevocably appoints the Commissioner as attorney to receive  
14 service of process issued against it in the State so as to bind the organization and its  
15 successors and to remain in effect as long as there is in force in the State a contract or  
16 obligation arising from it;

17                   (iii) is legally organized and qualified to do business and has been  
18 actively doing business under the laws of its state of domicile for at least 10 years before  
19 July 1, 1977;

20                   (iv) files with the Commissioner a copy of any contract form issued to  
21 residents of this State;

22                   (v) files with the Commissioner on or before March 1 of each year:

23                                   1. a copy of its annual statement prepared under the laws of its  
24 state of domicile; and

25                                   2. any other financial material that the Commissioner requests;

26                   (vi) agrees to submit to periodic examinations as the Commissioner  
27 considers necessary; and

28                   (vii) pays the premium tax imposed by Title 6 of this article on all  
29 premiums allocable to this State for life insurance and health insurance in effect for  
30 residents of this State[]; or

31                   (4) a voluntary noncontractual religious publication arrangement that:

32                   (i) is a nonprofit religious organization for which the State may not be  
33 held in any way liable or responsible for any of its debts, claims, obligations, or liabilities;

34                   (ii) publishes a newsletter whose subscribers are limited to members of  
35 the same denomination or religion;

36                   (iii) acts as an organizational clearinghouse for information between  
37 subscribers who have medical costs and subscribers who choose to assist with those costs;

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1 (iv) matches subscribers with a willingness to pay and subscribers with  
2 present medical costs;

3 (v) coordinates payments directly from one subscriber to another;

4 (vi) suggests amounts to give that are voluntary among the subscribers,  
5 with no assumption of risk or promise to pay either among the subscribers or between the  
6 subscribers and the organization;

7 (vii) does not use a compensated agent, representative, or other person  
8 to solicit or enroll subscribers;

9 (viii) does not make a direct or indirect representation that it is  
10 operating in a financially sound manner or that it has had a successful history of meeting  
11 subscribers' medical costs;

12 (ix) provides to each subscriber a written monthly statement listing  
13 both the total dollar amount of qualified medical costs submitted for publication and the  
14 amount actually published and assigned for payment;

15 (x) does not use funds paid by subscribers for medical costs to cover  
16 administrative costs;

17 (xi) submits a registration statement, including a copy of any  
18 application forms and guidelines, promotional, or informational material distributed by or  
19 on behalf of the arrangement, to the Secretary of State in accordance with the provisions  
20 of Title 6, Subtitle 4 of the Business Regulation Article; and

21 (xii) provides the following verbatim written disclaimer as a separate  
22 cover sheet for any and all documents distributed by or on behalf of the exempt  
23 arrangement, including applications, guidelines, promotional, or informational material  
24 and all periodic publications:

25 "Notice

26 This publication is not issued by an insurance company nor is it offered through an  
27 insurance company. It does not guarantee or promise that your medical bills will be  
28 published or assigned to others for payment. No other subscriber will be compelled to  
29 contribute toward the cost of your medical bills. Therefore, this publication should never  
30 be considered a substitute for an insurance policy. This activity is not regulated by the  
31 State Insurance Administration, and your liabilities are not covered by the Life and  
32 Health Guaranty Fund. Whether or not you receive any payments for medical expenses  
33 and whether or not this entity continues to operate, you are always liable for any unpaid  
34 bills."].

35 SECTION 11. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
36 read as follows:



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1                   **Article - Insurance**

2 27-208.

3                   (a) (1) A person may not make or allow unfair discrimination between  
4 individuals of the same class and equal expectation of life in:5                                 (i) the rates charged for a contract of life insurance or an annuity  
6 contract;7                                 (ii) the dividends or other benefits payable on a contract of life  
8 insurance or an annuity contract; or9                                 (iii) any of the other terms or conditions of a contract of life insurance  
10 or an annuity contract.11                   (2) (i) Notwithstanding any other provision of this section, an insurer may  
12 not make or allow a differential in ratings, premium payments, or dividends for contracts  
13 of life insurance or annuity contracts for a reason based on the blindness or other physical  
14 handicap or disability of an applicant or policyholder.15                                 (ii) Actuarial justification for the differential may be considered for a  
16 physical handicap or disability other than blindness or hearing impairment.17                   (3) Unless there is actuarial justification, an insurer may not refuse to insure  
18 or make or allow a differential in ratings, premium payments, or dividends in connection  
19 with life insurance and annuity contracts solely because the applicant or policyholder has  
20 the sickle-cell trait, thalassemia-minor trait, hemoglobin C trait, Tay-Sachs trait, or a  
21 genetic trait that is harmless in itself.22                   (b) (1) A person may not make or allow unfair discrimination between  
23 individuals of the same class and of essentially the same hazard:24                                 (i) in the amount of premium, policy fees, or rates charged for a policy  
25 or contract of health insurance;26                                 (ii) in the benefits payable under a policy or contract of health  
27 insurance;28                                 (iii) in any of the terms or conditions of a policy or contract of health  
29 insurance; or

30                                 (iv) in any other manner.

31                   (2) Notwithstanding any other provision of this section, an insurer may not  
32 make or allow a differential in ratings, premium payments, or dividends for a reason  
33 based on the sex of an applicant or policyholder unless there is actuarial justification for  
34 the differential.35                   (3) (i) [Except as provided in § 27-909 of this title and notwithstanding]  
36 NOTWITHSTANDING any other provision of this section, an insurer may not make or  
37 allow a differential in ratings, premium payments, or dividends for contracts of health  
38 insurance for a reason based on the blindness or other physical handicap or disability of  
39 an applicant or policyholder.

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1 (ii) [ Except as provided in § 27-909 of this title, actuarial]  
2 ACTUARIAL justification for the differential may be considered for a physical handicap or  
3 disability other than blindness or hearing impairment.

4 (4) UNLESS THERE IS ACTUARIAL JUSTIFICATION, AN INSURER MAY  
5 NOT MAKE OR ALLOW A DIFFERENTIAL IN RATINGS, PREMIUM PAYMENTS, OR  
6 DIVIDENDS IN CONNECTION WITH A HEALTH INSURANCE CONTRACT SOLELY  
7 BECAUSE THE APPLICANT OR POLICYHOLDER HAS THE SICKLE-CELL TRAIT,  
8 THALASSEMIA-MINOR TRAIT, HEMOGLOBIN C TRAIT, TAY-SACHS TRAIT, OR A  
9 GENETIC TRAIT THAT IS HARMLESS IN ITSELF.

10 SECTION 12. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
11 read as follows:

12 **Article - Insurance**

13 16-114.

14 (c) (1) On application, the Commissioner may issue a special permit to make  
15 agreements for annuity payments with donors to an educational or religious organization  
16 not conducted for profit and engaged SOLELY in bona fide educational or religious  
17 activities, to a hospital in the State, or to a community foundation if the educational or  
18 religious organization, hospital, or community foundation:

19 (i) except as provided in paragraph (2) of this subsection, has been in  
20 active operation in the State for at least 10 years before issuance of the special permit;  
21 and

22 (ii) has been granted exemption from federal income taxation under §  
23 501 of the Internal Revenue Code.

24 SECTION 13. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
25 read as follows:

26 **Article - Insurance**

27 18-106.

28 (b) The outline of coverage shall include:

29 (1) a description of the principal benefits and coverage provided in the  
30 policy or contract;

31 (2) a statement of the principal exclusions, reductions, and limitations in the  
32 policy or contract;

33 (3) a statement of the renewal provisions, including any reservation in the  
34 policy or contract of a right to change the schedule of premiums;

35 (4) [a statement as to whether the policy or contract is approved under the  
36 Maryland Partnership for Long-Term Care Program under Title 15, Subtitle 4 of the  
37 Health - General Article;

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1 (5)] a statement that the outline of coverage is a summary of the policy or  
2 contract issued or applied for and the policy or contract should be consulted to determine  
3 the governing contractual provisions; and

4 [(6)] (5) any expected premium increases or additional premiums to pay for  
5 automatic or optional benefit increases, including a reasonable hypothetical or graphic  
6 demonstration of the potential premiums that the applicant will need to pay at age 75 for  
7 benefit increases.

8 18-107.

9 A certificate that is issued under group long-term care insurance shall include:

10 (1) a description of the principal benefits and coverage provided in the  
11 policy or contract;

12 (2) a statement of the principal exclusions, reductions, and limitations of  
13 coverage in the policy or contract; AND

14 (3) a statement that the group master policy or contract determines the  
15 governing contractual provisions[]; and

16 (4) a statement as to whether the policy or contract is approved under the  
17 Maryland Partnership for Long-Term Care Program under Title 15, Subtitle 4 of the  
18 Health - General Article].

19 SECTION 14. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
20 read as follows:

21 **Article - Insurance**

22 18-106.

23 (b) The outline of coverage shall include:

24 (1) a description of the principal benefits and coverage provided in the  
25 policy or contract;

26 (2) a statement of the principal exclusions, reductions, and limitations in the  
27 policy or contract;

28 (3) a statement of the renewal provisions, including any reservation in the  
29 policy or contract of a right to change the schedule of premiums;

30 (4) A STATEMENT AS TO WHETHER THE POLICY OR CONTRACT IS  
31 APPROVED UNDER THE MARYLAND PARTNERSHIP FOR LONG-TERM CARE  
32 PROGRAM UNDER TITLE 15, SUBTITLE 4 OF THE HEALTH - GENERAL ARTICLE;

33 [(4)] (5) a statement that the outline of coverage is a summary of the policy  
34 or contract issued or applied for and the policy or contract should be consulted to  
35 determine the governing contractual provisions; and

36 [(5)] (6) any expected premium increases or additional premiums to pay for  
37 automatic or optional benefit increases, including a reasonable hypothetical or graphic

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1 demonstration of the potential premiums that the applicant will need to pay at age 75 for  
2 benefit increases.

3 18-107.

4 A certificate that is issued under group long-term care insurance shall include:

5 (1) a description of the principal benefits and coverage provided in the  
6 policy or contract;

7 (2) a statement of the principal exclusions, reductions, and limitations of  
8 coverage in the policy or contract; [and]

9 (3) a statement that the group master policy or contract determines the  
10 governing contractual provisions; AND

11 (4) A STATEMENT AS TO WHETHER THE POLICY OR CONTRACT IS  
12 APPROVED UNDER THE MARYLAND PARTNERSHIP FOR LONG-TERM CARE  
13 PROGRAM UNDER TITLE 15, SUBTITLE 4 OF THE HEALTH - GENERAL ARTICLE.

14 SECTION 15. AND BE IT FURTHER ENACTED, That §§ 18-106(b) and 18-107  
15 of the Insurance Article, as enacted by Section 13 of this Act, are subject to the provisions  
16 of Section 2 of Chapter 513 of the Acts of the General Assembly of 1993, as amended by  
17 Chapter 442 of the Acts of the General Assembly of 1996. Section 14 of this Act is  
18 contingent on the taking effect of the provisions specified in Section 2 of Chapter 513 of  
19 the Acts of the General Assembly of 1993, as amended by Chapter 442 of the Acts of the  
20 General Assembly of 1996. If these contingencies occur, Section 14 shall take effect.

21 SECTION 16. AND BE IT FURTHER ENACTED, That the provisions of Sections  
22 4, 5, and 6 of this Act are intended solely to make technical corrections in the current law  
23 required by the enactment of the Insurance Article (as enacted by Chapter 36 of the Acts  
24 of the General Assembly of 1995, Chapter 11 of the Acts of the General Assembly of  
25 1996, and Chapter\_\_\_\_\_ (H.B. 11) of the Acts of the General Assembly of 1997) and there is  
26 no intent for Sections 4, 5, and 6 of this Act to revive or otherwise affect law that is the  
27 subject of other Acts, whether those Acts were signed by the Governor before or after this  
28 Act.

29 SECTION 17. AND BE IT FURTHER ENACTED, That, subject to the approval  
30 of the Director of Legislative Reference, the publishers of the Annotated Code of  
31 Maryland shall propose the correction of cross-references that are rendered incorrect by  
32 this Act.

33 SECTION 18. AND BE IT FURTHER ENACTED, That the Drafter's Notes and  
34 Revisor's Notes contained in this Act are not law and may not be considered to have been  
35 enacted as part of this Act.

36 SECTION 19. AND BE IT FURTHER ENACTED, That, at the end of September  
37 30, 1998, and with no further action required by the General Assembly, § 27-908 of the  
38 Insurance Article, as enacted by Chapter\_\_\_\_\_ (H.B. 11) of the Acts of the General  
39 Assembly of 1997, shall be void. This section supersedes the termination and abrogation  
40 provisions of Section 16 of Chapter 352 of the Acts of the General Assembly of 1995.

1 SECTION 20. AND BE IT FURTHER ENACTED, That, at the end of September  
2 30, 2002, and with no further action required by the General Assembly, § 27-909 of the  
3 Insurance Article, as enacted by Chapter\_\_\_\_\_ (H.B. 11) of the Acts of the General  
4 Assembly of 1997, shall be void. This section supersedes the termination and abrogation  
5 provisions of Section 2 of Chapter 24 of the Acts of the General Assembly of 1996.

6 SECTION 21. AND BE IT FURTHER ENACTED, That, at the end of December  
7 31, 2001, and with no further action required by the General Assembly, § 2-112(a)(15) of  
8 the Insurance Article, as enacted by Chapter 36 of the Acts of the General Assembly of  
9 1995, as amended by Chapters 189 and 271 of the Acts of the General Assembly of 1996  
10 as enacted by Section 1 of this Act, shall be void and § 2-112(a)(17) of the Insurance  
11 Article, as enacted by Section 2 of this Act, shall take effect. This section supersedes the  
12 termination and abrogation provisions of Section 7 of Chapter 271 of the Acts of the  
13 General Assembly of 1996, as it relates to § 2-112(a)(15).

14 SECTION 22. AND BE IT FURTHER ENACTED, That, at the end of September  
15 30, 2002, and with no further action required by the General Assembly, § 19-706(k) of the  
16 Health - General Article shall be void and § 19-706(l) of the Health - General Article, as  
17 enacted by Section 5 of this Act, shall take effect. This section supersedes the termination  
18 and abrogation provisions of Section 2 of Chapter 24 of the Acts of the General Assembly  
19 of 1996.

20 SECTION 23. AND BE IT FURTHER ENACTED, That, at the end of May 31,  
21 1998, and with no further action required by the General Assembly, § 19-1515(c)(1) of  
22 the Health - General Article shall be void and § 19-1515(c)(1) of the Health - General  
23 Article, as enacted by Section 6 of this Act, shall take effect. This section supersedes the  
24 termination and abrogation provisions of Section 3 of Chapter 462 of the Acts of the  
25 General Assembly of 1995.

26 SECTION 24. AND BE IT FURTHER ENACTED, That, at the end of September  
27 30, 1998, and with no further action required by the General Assembly, § 1-202 of the  
28 Insurance Article, as enacted by Chapter\_\_\_\_\_ (H.B. 11) of the Acts of the General  
29 Assembly of 1997, shall be void and § 1-202 of the Insurance Article, as enacted by  
30 Section 10 of this Act, shall take effect. This section supersedes the termination and  
31 abrogation provisions of Section 4 of Chapter 544 of the Acts of the General Assembly of  
32 1995.

33 SECTION 25. AND BE IT FURTHER ENACTED, That, at the end of September  
34 30, 2002, and with no further action required by the General Assembly, § 27-208 of the  
35 Insurance Article, as enacted by Chapter\_\_\_\_\_ (H.B. 11) of the Acts of the General  
36 Assembly of 1997, shall be void and § 27-208 of the Insurance Article, as enacted by  
37 Section 11 of this Act, shall take effect. This section supersedes the termination and  
38 abrogation provisions of Section 2 of Chapter 24 of the Acts of the General Assembly of  
39 1996.

40 SECTION 26. AND BE IT FURTHER ENACTED, That, at the end of September  
41 30, 1999, and with no further action required by the General Assembly, § 16-114(c)(1) of  
42 the Insurance Article, as enacted by Chapter 11 of the Acts of the General Assembly of  
43 1996, shall be void and § 16-114(c)(1) of the Insurance Article, as enacted by Section 12  
44 of this Act, shall take effect. This section supersedes the termination and abrogation

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1 provisions of Section 2 of Chapter 490 of the Acts of the General Assembly of 1993, as  
2 amended by Chapter 148 of the Acts of the General Assembly of 1995.

3           SECTION 27. AND BE IT FURTHER ENACTED, That, except for Sections 2, 5,  
4 6, 10, 11, 12, and 14 of this Act, this Act shall take effect October 1, 1997.