

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1022 (Delegate Pendergrass, *et al.*)
Economic Matters

Referred to Finance

Insurance - Fraternal Benefit Societies

This amended bill alters the circumstances under which a fraternal benefit society is deemed to have a representative form of government; increases the amount of a bond a society is required to file with the Maryland Insurance Commissioner; increases the amount of specified premiums a society must collect; provides that an amendment to the laws of a society is deemed approved if not disapproved by the Commissioner within a specified period of time; and alters various other requirements concerning fraternal benefit societies.

The bill takes effect January 1, 1998.

Fiscal Summary

State Effect: Indeterminate increase in general fund revenues from the \$100 per day penalty for late filing of an annual statement. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: None. Of the 34 fraternal benefit associations licensed to operate in Maryland, it is assumed that none is a small business. In all, they wrote about \$56 million in premiums in Maryland for calendar year 1995. Their policyholder surplus' ranges from about \$200,000 to about \$943 million.

Information Source(s): Maryland Insurance Administration, Department of Fiscal Services

Fiscal Note History: First Reader - February 25, 1997

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Revised - House Third Reader - March 24, 1997

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