

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

Senate Bill 504 (Senator Astle, *et al.*)  
Finance

Referred to Economic Matters

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**Insurance - Fraternal Benefit Societies**

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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.

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**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.

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

**Fiscal Note History:** First Reader - February 25, 1997  
nrd Revised - Senate Third Reader - March 21, 1997

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