

HOUSE BILL 584

Unofficial Copy  
C3

1998 Regular Session  
8r1096  
CF 8r1214

---

By: **Delegates Barve, Gordon, and Kagan**  
Introduced and read first time: February 6, 1998  
Assigned to: Economic Matters

---

A BILL ENTITLED

1 AN ACT concerning

2 **Life Insurance - Public Entities - Authority to Pool**

3 FOR the purpose of authorizing certain public entities to pool together to purchase  
4 life insurance or to self-insure against life risks; defining a certain term;  
5 making stylistic changes; and generally relating to the authority of public  
6 entities to pool together for life insurance.

7 BY adding to  
8 Article - Insurance  
9 Section 15-124 and 16-116  
10 Annotated Code of Maryland  
11 (1997 Volume)

12 BY repealing and reenacting, with amendments,  
13 Article - Insurance  
14 Section 19-602  
15 Annotated Code of Maryland  
16 (1997 Volume)

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

19 **Article - Insurance**

20 15-124.

21 (A) IN THIS SECTION, "PUBLIC ENTITY" MEANS:

- 22 (1) A POLITICAL SUBDIVISION OF THE STATE;
- 23 (2) A UNIT OF THE STATE OR A LOCAL GOVERNMENT; OR
- 24 (3) A NONPROFIT OR NONSTOCK CORPORATION THAT:

1 (I) RECEIVES 50% OR MORE OF ITS ANNUAL OPERATING BUDGET  
2 FROM THE STATE OR A LOCAL GOVERNMENT; AND

3 (II) IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE  
4 INTERNAL REVENUE CODE.

5 (B) PUBLIC ENTITIES MAY POOL TOGETHER TO PURCHASE HEALTH  
6 INSURANCE OR TO SELF-INSURE AGAINST HEALTH RISKS.

7 16-116.

8 (A) IN THIS SECTION, "PUBLIC ENTITY" MEANS:

9 (1) A POLITICAL SUBDIVISION OF THE STATE;

10 (2) A UNIT OF THE STATE OR A LOCAL GOVERNMENT; OR

11 (3) A NONPROFIT OR NONSTOCK CORPORATION THAT:

12 (I) RECEIVES 50% OR MORE OF ITS ANNUAL OPERATING BUDGET  
13 FROM THE STATE OR A LOCAL GOVERNMENT; AND

14 (II) IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE  
15 INTERNAL REVENUE CODE.

16 (B) PUBLIC ENTITIES MAY POOL TOGETHER TO PURCHASE LIFE INSURANCE  
17 OR TO SELF-INSURE AGAINST LIFE RISKS.

18 19-602.

19 (a) In this section, "public entity" means:

20 (1) a political subdivision of the State;

21 (2) a unit of the State or a local government; or

22 (3) a nonprofit or nonstock corporation that:

23 (i) receives 50% or more of its annual operating budget from the  
24 State or a local government; and

25 (ii) is exempt from taxation under § 501(c)(3) or (4) of the Internal  
26 Revenue Code.

27 (b) Public entities may pool together to purchase casualty insurance[, ] OR  
28 property insurance [, or health insurance] or to self-insure against casualty[,] OR  
29 property [, or health] risks.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 October 1, 1998.