

HOUSE BILL 584

Unofficial Copy  
C3

1998 Regular Session  
8r1096  
CF 8r1214

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

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Committee Report: Favorable  
House action: Adopted with floor amendments  
Read second time: March 6, 1998

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CHAPTER \_\_\_\_\_

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:~~

- 1           (1)     ~~A POLITICAL SUBDIVISION OF THE STATE;~~
- 2           (2)     ~~A UNIT OF THE STATE OR A LOCAL GOVERNMENT; OR~~
- 3           (3)     ~~A NONPROFIT OR NONSTOCK CORPORATION THAT:~~
- 4                     ~~(I)     RECEIVES 50% OR MORE OF ITS ANNUAL OPERATING BUDGET~~  
5 ~~FROM THE STATE OR A LOCAL GOVERNMENT; AND~~
- 6                     ~~(II)    IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE~~  
7 ~~INTERNAL REVENUE CODE.~~
- 8     ~~(B)     PUBLIC ENTITIES MAY POOL TOGETHER TO PURCHASE HEALTH~~  
9 ~~INSURANCE OR TO SELF-INSURE AGAINST HEALTH RISKS.~~

10 16-116.

- 11     (A)     IN THIS SECTION, "PUBLIC ENTITY" MEANS:
- 12           (1)     A POLITICAL SUBDIVISION OF THE STATE;
- 13           (2)     A UNIT OF THE STATE OR A LOCAL GOVERNMENT; OR
- 14           (3)     A NONPROFIT OR NONSTOCK CORPORATION THAT:
- 15                     (I)     RECEIVES 50% OR MORE OF ITS ANNUAL OPERATING BUDGET  
16 FROM THE STATE OR A LOCAL GOVERNMENT; AND
- 17                     (II)    IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE  
18 INTERNAL REVENUE CODE.
- 19     (B)     PUBLIC ENTITIES MAY POOL TOGETHER TO PURCHASE LIFE INSURANCE  
20 OR TO SELF-INSURE AGAINST LIFE RISKS.

21 ~~19-602.~~

- 22     (a)     ~~In this section, "public entity" means:~~
- 23           (1)     ~~a political subdivision of the State;~~
- 24           (2)     ~~a unit of the State or a local government; or~~
- 25           (3)     ~~a nonprofit or nonstock corporation that:~~
- 26                     ~~(i)     receives 50% or more of its annual operating budget from the~~  
27 ~~State or a local government; and~~
- 28                     ~~(ii)    is exempt from taxation under § 501(e)(3) or (4) of the Internal~~  
29 ~~Revenue Code.~~

1 (b) ~~Public entities may pool together to purchase casualty insurance[, ] OR~~  
2 ~~property insurance [, or health insurance] or to self-insure against casualty[, ] OR~~  
3 ~~property [, or health] risks.~~

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