

HOUSE BILL 857

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C4

1998 Regular Session
8r1578
CF 8r1437

By: **Delegate Krysiak**

Introduced and read first time: February 12, 1998

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 1998

CHAPTER _____

1 AN ACT concerning

2 **Insurance Fraud Prevention Fee - Exemptions - Fraternal Benefit Societies**

3 FOR the purpose of exempting certain fraternal benefit societies from the collection
4 of a certain fraud prevention fee by the Maryland Insurance Commissioner;
5 ~~exempting fraternal benefit society agents from the collection of a certain fraud~~
6 ~~prevention fee by the Commissioner;~~ and generally relating to exempting
7 fraternal benefit societies from the insurance fraud prevention fee.

8 BY repealing and reenacting, with amendments,

9 Article - Insurance

10 Section 6-203 and ~~8-403(b)~~

11 Annotated Code of Maryland

12 (1997 Volume)

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

15 **Article - Insurance**

16 6-203.

17 (a) For each insurer, health maintenance organization, nonprofit health
18 service plan, {fraternal benefit society,} or any entity operating in the State under
19 the regulatory jurisdiction of the Commissioner other than a premium finance
20 company, A FRATERNAL BENEFIT SOCIETY THAT COLLECTED LESS THAN \$75,000 IN
21 PREMIUMS IN THE PRECEDING CALENDAR YEAR, or A motor club, the fraud
22 prevention fee shall be:

- 1 (1) \$1,000;
- 2 (2) due on or before June 30 of each year; and
- 3 (3) if applicable, payable with the certificate of authority or license
4 renewal fee.

5 (b) For each agent, broker, public adjuster, insurance adviser, {fraternal
6 benefit society agent,} or third party administrator qualified, licensed, or registered
7 by the Commissioner, the fraud prevention fee shall be:

- 8 (1) \$15;
- 9 (2) due on or before June 30 of every other year; and
- 10 (3) if applicable, payable with the certificate of qualification, license, or
11 registration renewal fee.

12 (c) Any person that has more than one of the certificates of qualification,
13 licenses, or registrations listed in subsection (b) of this section shall pay the \$15 fraud
14 prevention fee only once per renewal period.

15 ~~§ 403.~~

16 (b) ~~(1) In addition to the provisions of this subtitle, the following provisions~~
17 ~~of this article apply to societies to the extent not in conflict with the express~~
18 ~~provisions and reasonable implications of this subtitle:~~

- 19 (i) ~~Title 1 of this article;~~
- 20 (ii) ~~Title 2, Subtitle 1 of this article, including § 2-112 of this~~
21 ~~article;~~
- 22 (iii) ~~Title 2, Subtitle 2 of this article;~~
- 23 (iv) ~~§ 3-117 of this article;~~
- 24 (v) ~~§ 3-127 of this article;~~
- 25 (vi) ~~§ 4-102(b) of this article;~~
- 26 (vii) ~~§ 4-113(a)(7), (8), and (9) of this article;~~
- 27 (viii) ~~§ 4-203 of this article;~~
- 28 (ix) ~~§ 4-204 of this article;~~
- 29 (x) ~~§ 5-103 of this article;~~
- 30 (xi) ~~§ 5-201 of this article;~~

1 (xii) ~~[Title 6, Subtitle 2 of this article;~~

2 (xiii) ~~] Title 9, Subtitle 2 of this article;~~

3 ~~[(xiv)] (XIII) § 10-120 of this article;~~

4 ~~[(xv)] (XIV) Title 15, Subtitle 9 of this article;~~

5 ~~[(xvi)] (XV) Title 27 of this article; and~~

6 ~~[(xvii)] (XVI) § 1-301 of this article.~~

7 (2) ~~In addition to the provisions of this subtitle, societies are subject to~~
8 ~~the provisions of Title 13, Subtitle 5 of the Estates and Trusts Article.~~

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