
By: **Delegate Donoghue**

Introduced and read first time: March 2, 1998

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Funding Agreements - Issuance**

3 FOR the purpose of authorizing any insurer that delivers or issues for delivery
4 annuity contracts in the State to deliver or issue for delivery a funding
5 agreement to fund a program of a certain institution.

6 BY repealing and reenacting, without amendments,
7 Article - Insurance
8 Section 16-113(a)
9 Annotated Code of Maryland
10 (1997 Volume)

11 BY repealing and reenacting, with amendments,
12 Article - Insurance
13 Section 16-113(b)
14 Annotated Code of Maryland
15 (1997 Volume)

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

18 **Article - Insurance**

19 16-113.

20 (a) Subject to the approval of the Commissioner, an insurer authorized to
21 deliver or issue for delivery an annuity contract in the State may deliver or issue for
22 delivery funding agreements.

23 (b) A funding agreement may be issued to:

24 (1) a person, or a subsidiary of the person, that is authorized by a state
25 or foreign country to engage in the insurance business; or

1 (2) a person, other than a person or a subsidiary of the person that is
2 authorized to engage in the insurance business, to fund:

3 (i) benefits directly or indirectly under an employee benefit plan,
4 as defined in the federal Employee Retirement Income Security Act of 1974, that is
5 maintained in the United States, or under a similar plan maintained in a foreign
6 country;

7 (ii) the activities of an organization exempt from taxation under §
8 501(c) of the Internal Revenue Code, or of a similar organization in a foreign country;

9 (iii) a program, or plan as defined in § 457 of the Internal Revenue
10 Code, of the federal government, a state or political subdivision of a state, or a foreign
11 country or political subdivision of a foreign country; [or]

12 (iv) an agreement that provides for periodic payments in
13 satisfaction of a claim; OR

14 (V) A PROGRAM OF AN INSTITUTION THAT HAS ASSETS IN EXCESS
15 OF \$25,000,000.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 June 1, 1998.