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By: **Delegate Donoghue**

Introduced and read first time: March 2, 1998

Assigned to: Rules and Executive Nominations

Re-referred to: Economic Matters, March 9, 1998

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Committee Report: Favorable

House action: Adopted

Read second time: March 26, 1998

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CHAPTER \_\_\_\_\_

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:

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**Article - Insurance**

2 16-113.

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

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

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

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

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

15 (ii) the activities of an organization exempt from taxation under §  
16 501(c) of the Internal Revenue Code, or of a similar organization in a foreign country;

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

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

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

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