

SENATE BILL 164

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1998 Regular Session
8r1214
CF 8r1096

By: **Senator Trotter**
Introduced and read first time: January 23, 1998
Assigned to: Finance

Committee Report: Favorable
Senate action: Adopted
Read second time: February 23, 1998

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(c)(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.