

SENATE BILL 705

Unofficial Copy  
C4

1998 Regular Session  
(8lr2123)

**ENROLLED BILL**  
-- Finance/Economic Matters --

Introduced by **Senators Derr and Astle**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Insurance Administration - Funding**

3 FOR the purpose of establishing a certain assessment fee that the Insurance  
4 Commissioner shall collect from certain insurers; specifying the method of  
5 calculating the assessment fee; establishing a limitation on the amount that  
6 may be assessed by the Commissioner; repealing certain fees; altering certain  
7 fees; altering the guidelines used by the Commissioner when calculating  
8 retaliatory taxes and fees; authorizing a certain credit to be apportioned among  
9 certain insurers under certain circumstances; specifying the maximum amount of  
10 the credit; establishing the Insurance Regulation Fund; providing for the  
11 income, purpose, expenditures, and custodian of the Fund; altering the method  
12 of funding for the Maryland Insurance Administration; authorizing certain  
13 insurers to file certain forms with the Commissioner that are effective on the date  
14 of the filing under certain circumstances; establishing a term of office of the  
15 Insurance Commissioner; requiring the Commissioner to conduct a certain study;  
16 defining certain terms; altering certain termination dates; providing for the  
17 application of certain provisions of this Act; providing for the termination of

1 certain provisions of this Act; providing for the effective date of certain  
2 provisions of this Act; and generally relating to the funding of the costs and  
3 expenses of the Maryland Insurance Administration related to the regulation of  
4 insurance activities in the State.

5 BY adding to  
6 Article - Health - General  
7 Section 19-706(y)  
8 Annotated Code of Maryland  
9 (1996 Replacement Volume and 1997 Supplement)

10 BY repealing and reenacting, with amendments,  
11 Article - Health - General  
12 Section 19-713  
13 Annotated Code of Maryland  
14 (1996 Replacement Volume and 1997 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article - Insurance  
17 Section ~~2-103~~, 2-112, 2-114, ~~2-401~~, ~~2-402~~, 6-105, ~~6-303(a)~~ 6-202, 6-303(a),  
18 12-203(d), 14-102, 14-402, and 20-201  
19 Annotated Code of Maryland  
20 (1997 Volume)

21 BY repealing  
22 Article - Insurance  
23 Section 2-407  
24 Annotated Code of Maryland  
25 (1997 Volume)

26 BY adding to  
27 Article - Insurance  
28 Section 2-501 through 2-507, inclusive, to be under the new subtitle "Subtitle 5.  
29 Insurance Assessment Fee" Regulation Assessment"; 6-104(c) and  
30 14-126(e)  
31 Annotated Code of Maryland  
32 (1997 Volume)

33 BY repealing and reenacting, without amendments,  
34 Article - Insurance  
35 Section 6-201  
36 Annotated Code of Maryland  
37 (1997 Volume)

1 BY repealing and reenacting, with amendments,  
 2 Article - Insurance  
 3 Section 2-112  
 4 Annotated Code of Maryland  
 5 (1997 Volume)  
 6 (As enacted by Chapter 70, Section 2 of the Acts of the General Assembly of  
 7 1997)

8 BY repealing and reenacting, with amendments,  
 9 Chapter 685 of the Acts of the General Assembly of 1997  
 10 Section 6 ~~and 7~~

11 *BY repealing*  
 12 *Chapter 538 of the Acts of the General Assembly of 1993*  
 13 *Section 4*

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

16 **Article - Health - General**

17 19-706.

18 (Y) THE PROVISIONS OF TITLE 2, SUBTITLE 5 AND § 2-112 OF THE INSURANCE  
 19 ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.

20 19-713.

21 (a) *Each health maintenance organization shall file with the Commissioner*  
 22 AND PAY THE APPLICABLE FILING FEE AS PROVIDED IN § 2-112 OF THE INSURANCE  
 23 ARTICLE, before they become effective:

24 (1) All rates that the health maintenance organization charges  
 25 subscribers or groups of subscribers; and

26 (2) The form and content of each contract between the health maintenance  
 27 organization and its subscribers or groups of subscribers.

28 (b) Rates of a health maintenance organization may not be excessive,  
 29 inadequate, or unfairly discriminatory in relation to the services offered.

30 (c) (1) If, at any time, a health maintenance organization wishes to amend  
 31 any contract with its subscribers or change any rate charged, the health maintenance  
 32 organization shall file with the Commissioner the number of copies of the amendment  
 33 or rate change that the Commissioner requires.

34 (2) The Commissioner shall provide the Department with the number of  
 35 copies it requires.

1 (d) The Commissioner shall coordinate the contract and related rate filing  
2 review under this section.

3 (e) (1) If within 60 days after a filing made pursuant to this section, the  
4 Commissioner finds the filing does not meet the requirements of subsection (f) of this  
5 section, the filer shall be sent notice of disapproval specifying in what respects the  
6 Commissioner finds that the filing fails to meet the requirements of this section and  
7 stating that the filing shall not become effective.

8 (2) The Commissioner may not issue a notice of disapproval of a filing  
9 under subsection (f) of this section without a statutory or regulatory basis for the  
10 disapproval and an explanation of the application of the statutory or regulatory basis  
11 which resulted in the disapproval.

12 (f) The Commissioner shall disapprove any form filed, or withdraw any  
13 previous approval, if the form:

14 (1) Is in any respect in violation or does not comply with this article or  
15 applicable regulations;

16 (2) Contains, or incorporates by reference, any inconsistent or  
17 inapplicable clauses, exceptions, or conditions which affect the risk purported to be  
18 assumed in the general coverage of the contract;

19 (3) Has any title, heading, or other indication of its provisions which is  
20 likely to mislead the subscriber or member;

21 (4) Includes provisions that are inequitable, or provisions that lack any  
22 substantial benefit to the subscriber or member;

23 (5) Is printed or otherwise reproduced in a manner as to render any  
24 provision of the form substantially illegible; or

25 (6) Provides benefits that are unreasonable in relation to the premium  
26 charged.

27 (g) [Unless] (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
28 SUBSECTION, UNLESS the Commissioner disapproves a filing under this section, the  
29 filing becomes effective 60 days after the office of the Commissioner receives the filing  
30 or on any other date that the Commissioner sets.

31 (2) THE COMMISSIONER MAY ADOPT REGULATIONS TO ALLOW A TYPE  
32 OR KIND OF FORM TO BE EFFECTIVE UPON RECEIPT OF THE FILING BY THE  
33 COMMISSIONER.

34 (3) IF A HEALTH MAINTENANCE ORGANIZATION USES A FORM WHICH  
35 BECOMES EFFECTIVE IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH (2) OF  
36 THIS SUBSECTION AND THE FORM WOULD BE SUBJECT TO DISAPPROVAL UNDER  
37 SUBSECTION (F) OF THIS SECTION, THE COMMISSIONER MAY:

1 (I) SUBSEQUENTLY DISAPPROVE THE FORM; AND

2 (II) FIND THE HEALTH MAINTENANCE ORGANIZATION TO BE IN  
 3 VIOLATION OF § 19-729 OF THIS SUBTITLE AND IMPOSE A PENALTY AS PROVIDED IN  
 4 § 19-730 OF THIS SUBTITLE.

5 (4) IF A HEALTH MAINTENANCE ORGANIZATION FILES A FORM WITH  
 6 THE COMMISSIONER WHICH BECOMES EFFECTIVE IN ACCORDANCE WITH THE  
 7 PROVISIONS OF PARAGRAPH (2) OF THIS SUBSECTION, THE HEALTH MAINTENANCE  
 8 ORGANIZATION SHALL PAY THE APPLICABLE FILING FEE PROVIDED IN § 2-112 OF  
 9 THE INSURANCE ARTICLE.

10 Article - Insurance

11 12-203.

12 (d) (1) The Commissioner may order an exemption from this section for as  
 13 long as the Commissioner considers proper for an insurance document or form or type  
 14 of insurance document or form if the Commissioner finds that:

15 [(1)] (I) this section is not practicably applicable; or

16 [(2)] (II) the filing and approval of the document or form or type of  
 17 document or form are not desirable or necessary to protect the public.

18 (2) (I) THE COMMISSIONER MAY ADOPT REGULATIONS TO ALLOW A  
 19 TYPE OR KIND OF FORM TO BE EFFECTIVE UPON RECEIPT OF THE FILING BY THE  
 20 COMMISSIONER.

21 (II) IF AN INSURER USES A FORM WHICH BECOMES EFFECTIVE IN  
 22 ACCORDANCE WITH THE PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH  
 23 AND THE FORM WOULD BE SUBJECT TO DISAPPROVAL UNDER § 12-205(B) OF THIS  
 24 SUBTITLE, THE COMMISSIONER MAY:

25 1. SUBSEQUENTLY DISAPPROVE THE FORM; AND

26 2. IMPOSE ON THE INSURER A PENALTY UNDER § 4-113 OF  
 27 THIS ARTICLE.

28 (III) IF AN INSURER FILES A FORM WITH THE COMMISSIONER  
 29 WHICH BECOMES EFFECTIVE IN ACCORDANCE WITH THE PROVISIONS OF  
 30 SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE INSURER SHALL PAY THE APPLICABLE  
 31 FILING FEE PROVIDED IN § 2-112 OF THIS ARTICLE.

32 14-126.

33 (E) (1) THE COMMISSIONER MAY ADOPT REGULATIONS TO ALLOW A TYPE  
 34 OR KIND OF FORM TO BE EFFECTIVE UPON RECEIPT OF THE FILING BY THE  
 35 COMMISSIONER.



1           (3)     ALL PENALTIES IMPOSED BY THE COMMISSIONER, INCLUDING THE  
 2 FOLLOWING PENALTIES IMPOSED UNDER:

3           (I)     §§ 4-113(D), 4-212, 10-126(C), 11-232, 14-140, 23-208, 23-506, 26-502,  
 4 27-305, AND 27-408 OF THIS ARTICLE; AND

5           (II)    § 19-730 OF THE HEALTH - GENERAL ARTICLE.

6     ~~(D)~~   (B)     THE FOLLOWING MONEYS MAY NOT BE CONSIDERED GENERAL  
 7 FUNDS OF THE STATE AND SHALL BE DEPOSITED INTO THE INSURANCE  
 8 REGULATION FUND ESTABLISHED UNDER SUBTITLE 5 OF THIS TITLE:

9           (1)     ALL REVENUE RECEIVED THROUGH THE IMPOSITION AND  
 10 COLLECTION OF THE ASSESSMENT FEE UNDER SUBTITLE 5 OF THIS TITLE; ~~AND~~

11          (2)     ALL REVENUE RECEIVED THROUGH THE IMPOSITION AND  
 12 COLLECTION OF THE FEES SET FORTH IN § 2-112 OF THIS TITLE;

13          (3)     ALL REVENUE RECEIVED THROUGH THE IMPOSITION AND  
 14 COLLECTION OF THE FRAUD PREVENTION FEE UNDER TITLE 6, SUBTITLE 2 OF THIS  
 15 ARTICLE;

16          (4)     ALL REVENUE RECEIVED THROUGH THE COLLECTION OF  
 17 EXAMINATION EXPENSES UNDER § 2-208 OF THIS TITLE;

18          (5)     EXCEPT AS PROVIDED UNDER SUBSECTION (A) OF THIS SECTION,  
 19 ALL OTHER FEES RECEIVED THROUGH THE IMPOSITION AND COLLECTION OF FEES  
 20 SET FORTH IN THIS ARTICLE; AND

21          ~~(2)~~   (6)     INCOME FROM INVESTMENTS THAT THE STATE TREASURER  
 22 MAKES FOR THE INSURANCE REGULATION FUND.

23 2-401.

24     (a)     In this subtitle the following words have the meanings indicated.

25     (b)     "Fraud Division" means the Insurance Fraud Division in the  
 26 Administration.

27     (c)     ["Fund" means the Insurance Fraud Division Fund.

28     (d)]    "Insurance fraud" means:

29           (1)     a violation of Title 27, Subtitle 4 of this article;

30           (2)     theft, as set out under Article 27, §§ 340 through 342 of the Code:

31           (i)     from a person regulated under this article; or

32           (ii)    by a person regulated under this article or an officer, director,  
 33 agent, or employee of a person regulated under this article; or

1           (3)     any other fraudulent activity set out under Article 27 of the Code that  
2 is committed by or against a person regulated under this article.

3 2-402.

4     [(a)]     There is an Insurance Fraud Division in the Administration.

5     [(b)]     Funding for the Fraud Division shall be as provided in the State budget.]

6 [2-407.

7     (a)     There is an Insurance Fraud Division Fund.

8     (b)     The purpose of the Fund is to pay all costs and expenses incurred by the  
9 administration related to the operation of the Fraud Division, including the costs of  
10 State employees specifically assigned to the Fraud Division by the Office of the  
11 Attorney General and Department of State Police.

12     (c)     The Fund shall consist of:

13           (1)     the fees collected and deposited in the Fund by the Commissioner  
14 under § 6-202 of this article; and

15           (2)     income from investments that the State Treasurer makes for the Fund.

16     (d)     (1)     All costs and expenses of the Fraud Division shall be included in the  
17 State budget.

18           (2)     Expenditures from the Fund to cover costs and expenses of the Fraud  
19 Division may only be made:

20                   (i)     pursuant to an appropriation approved by the General Assembly  
21 in the annual State budget; or

22                   (ii)    by the budget amendment procedure provided for in § 7-109 of  
23 the State Finance and Procurement Article.

24     (e)     (1)     The State Treasurer is the custodian of the Fund.

25           (2)     The Fund shall be invested and reinvested in the same manner as  
26 State funds.

27           (3)     The State Treasurer shall deposit payments received from the  
28 Commissioner into the Fund.

29     (f)     (1)     The Fund is a continuing, nonlapsing fund and is not subject to §  
30 7-302 of the State Finance and Procurement Article, and may not be deemed a part of  
31 the General Fund.

32           (2)     No part of the Fund may revert or be credited to:



1 (i) the General Fund of the State; or

2 (ii) a special fund of the State.]

3 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
4 read as follows:

5 Article - Insurance

6 SUBTITLE 5. ~~INSURANCE ASSESSMENT FEE~~ REGULATION ASSESSMENT.

7 2-501.

8 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
9 INDICATED.

10 (B) "ASSESSMENT" MEANS AN ASSESSMENT THAT:

11 (1) EQUALS THE APPROVED ADMINISTRATION'S ANNUAL BUDGET  
12 APPROPRIATION; ~~EXCLUDING THE APPROPRIATION FOR THE BUDGET OF THE~~  
13 ~~INSURANCE FRAUD DIVISION;~~ LESS THE FEES COLLECTED UNDER § 2-412 OF THIS  
14 ~~TITLE~~ ARTICLE; AND

15 (2) DOES NOT EXCEED ~~30%~~ 40% OF THE ADMINISTRATION'S APPROVED  
16 BUDGET APPROPRIATION; ~~EXCLUDING THE APPROPRIATION FOR THE BUDGET OF~~  
17 ~~THE INSURANCE FRAUD DIVISION.~~

18 (C) "FUND" MEANS THE INSURANCE REGULATION FUND ESTABLISHED  
19 UNDER § 2-505 OF THIS SUBTITLE.

20 (D) (1) "HEALTH INSURER" MEANS AN INSURER THAT HOLDS A  
21 CERTIFICATE OF AUTHORITY ISSUED BY THE COMMISSIONER TO ENGAGE IN THE  
22 BUSINESS OF HEALTH INSURANCE.

23 (2) "HEALTH INSURER" INCLUDES:

24 (I) A HEALTH MAINTENANCE ORGANIZATION OPERATING UNDER  
25 A CERTIFICATE OF AUTHORITY ISSUED BY THE COMMISSIONER UNDER TITLE 19,  
26 SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE;

27 (II) A NONPROFIT HEALTH SERVICE PLAN OPERATING UNDER  
28 TITLE 14, SUBTITLE 1 OF THIS ARTICLE; AND

29 (III) A DENTAL PLAN OPERATING UNDER TITLE 14, SUBTITLE 4 OF  
30 THIS ARTICLE.

31 (E) "HEALTH INSURER ASSESSMENT PORTION" MEANS ~~THE PRODUCT OF~~  
32 ~~TWO THIRDS MULTIPLIED BY TWO THIRDS~~ 45% OF THE ASSESSMENT.

1 (F) (1) "INSURER" MEANS AN INSURER OR OTHER ENTITY AUTHORIZED TO  
2 ENGAGE IN THE INSURANCE BUSINESS IN THE STATE UNDER A CERTIFICATE OF  
3 AUTHORITY ISSUED BY THE COMMISSIONER.

4 (2) "INSURER" INCLUDES:

5 (I) A HEALTH MAINTENANCE ORGANIZATION OPERATING UNDER  
6 A CERTIFICATE OF AUTHORITY ISSUED BY THE COMMISSIONER UNDER TITLE 19,  
7 SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE;

8 (II) A NONPROFIT HEALTH SERVICE PLAN OPERATING UNDER  
9 TITLE 14, SUBTITLE 1 OF THIS ARTICLE;

10 (III) A DENTAL PLAN OPERATING UNDER TITLE 14, SUBTITLE 4 OF  
11 THIS ARTICLE; AND

12 (IV) THE MARYLAND AUTOMOBILE INSURANCE FUND.

13 (G) "LIFE INSURER" MEANS AN INSURER THAT HOLDS A CERTIFICATE OF  
14 AUTHORITY ISSUED BY THE COMMISSIONER TO ENGAGE IN THE BUSINESS OF LIFE  
15 INSURANCE.

16 (H) "LIFE INSURER ASSESSMENT PORTION" MEANS ~~THE PRODUCT OF~~  
17 ~~ONE THIRD MULTIPLIED BY TWO THIRDS~~ 27.5% OF THE ASSESSMENT.

18 (I) "MULTIPLE TYPE INSURER" MEANS AN INSURER THAT ENGAGES IN MORE  
19 THAN ONE OF THE FOLLOWING TYPES OF INSURANCE:

20 (1) LIFE;

21 (2) HEALTH; OR

22 (3) PROPERTY AND CASUALTY.

23 ~~(J)~~ (J) (1) "PREMIUM" HAS THE MEANING STATED IN § 1-101 OF THIS  
24 ARTICLE TO THE EXTENT IT IS ALLOCABLE TO THIS STATE.

25 (2) "PREMIUM" INCLUDES ANY AMOUNTS PAID TO A HEALTH  
26 MAINTENANCE ORGANIZATION AS COMPENSATION ON A PREDETERMINED BASIS  
27 FOR PROVIDING SERVICES TO MEMBERS AND SUBSCRIBERS AS SPECIFIED IN TITLE  
28 19, SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE TO THE EXTENT IT IS  
29 ALLOCABLE TO THIS STATE.

30 ~~(K)~~ (K) (1) "PROPERTY AND CASUALTY INSURER" MEANS AN INSURER  
31 THAT HOLDS A CERTIFICATE OF AUTHORITY ISSUED BY THE COMMISSIONER TO  
32 ENGAGE IN THE BUSINESS OF PROPERTY AND CASUALTY INSURANCE.

33 (2) "PROPERTY AND CASUALTY INSURER" INCLUDES THE MARYLAND  
34 AUTOMOBILE INSURANCE FUND.

1 ~~(K)~~ (L) "PROPERTY AND CASUALTY INSURER ASSESSMENT PORTION" MEANS  
2 ~~ONE-THIRD~~ 27.5% OF THE ASSESSMENT.

3 2-502.

4 (A) ~~IN ADDITION TO THE FEES COLLECTED UNDER § 2-112 OF THIS TITLE,~~ THE  
5 COMMISSIONER SHALL COLLECT AN ANNUAL ASSESSMENT FEE FROM EACH  
6 INSURER AS PROVIDED IN SUBSECTION (B) OF THIS SECTION.

7 (B) THE ASSESSMENT FEE SHALL BE CALCULATED AS FOLLOWS:

8 (1) FOR EACH HEALTH INSURER, THE ASSESSMENT FEE ~~FOR EACH~~  
9 ~~HEALTH INSURER~~ IS THE PRODUCT OF THE FRACTION OBTAINED BY DIVIDING THE  
10 GROSS DIRECT PREMIUM WRITTEN BY THE HEALTH INSURER IN THE PRIOR  
11 CALENDAR YEAR BY THE TOTAL AMOUNT OF GROSS DIRECT PREMIUM WRITTEN BY  
12 ALL HEALTH INSURERS IN THE PRIOR CALENDAR YEAR, MULTIPLIED BY THE  
13 HEALTH INSURER ASSESSMENT PORTION;

14 (2) FOR EACH LIFE INSURER, THE ASSESSMENT FEE ~~FOR EACH LIFE~~  
15 ~~INSURER~~ IS THE PRODUCT OF THE FRACTION OBTAINED BY DIVIDING THE GROSS  
16 DIRECT PREMIUM WRITTEN BY THE LIFE INSURER IN THE PRIOR CALENDAR YEAR BY  
17 THE TOTAL AMOUNT OF GROSS DIRECT PREMIUM WRITTEN BY ALL LIFE INSURERS  
18 IN THE PRIOR CALENDAR YEAR, MULTIPLIED BY THE LIFE INSURER ASSESSMENT  
19 PORTION; AND

20 (3) FOR EACH PROPERTY AND CASUALTY INSURER, THE ASSESSMENT  
21 ~~FEE FOR EACH PROPERTY AND CASUALTY INSURER~~ IS THE PRODUCT OF THE  
22 FRACTION OBTAINED BY DIVIDING THE GROSS DIRECT PREMIUM WRITTEN BY THE  
23 PROPERTY AND CASUALTY INSURER IN THE PRIOR CALENDAR YEAR BY THE TOTAL  
24 AMOUNT OF GROSS DIRECT PREMIUMS WRITTEN BY ALL PROPERTY AND CASUALTY  
25 INSURERS IN THE PRIOR CALENDAR YEAR, MULTIPLIED BY THE PROPERTY AND  
26 CASUALTY INSURER ASSESSMENT PORTION.

27 (C) FOR THE PURPOSE OF CALCULATING THE ASSESSMENT FEE IN  
28 SUBSECTION (B) OF THIS SECTION, A MULTIPLE TYPE INSURER SHALL BE  
29 CONSIDERED EITHER A HEALTH INSURER, A LIFE INSURER, OR A PROPERTY AND  
30 CASUALTY INSURER BASED ON THE MAJORITY OF PREMIUM TYPE WRITTEN.

31 (D) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, THE  
32 MINIMUM ASSESSMENT SHALL BE \$300 FOR EACH AUTHORIZED INSURER.

33 2-503.

34 (A) BEGINNING ON APRIL 1, 1999, THE COMMISSIONER SHALL COLLECT THE  
35 ANNUAL ASSESSMENT FEE FROM EACH INSURER AS CALCULATED IN § 2-502 OF THIS  
36 SUBTITLE.

37 (B) THE ASSESSMENT FEE COLLECTED UNDER THIS SECTION IS:

1 (1) IN ADDITION TO ANY PENALTIES OR PREMIUM TAX IMPOSED UNDER  
2 THIS ARTICLE; AND

3 (2) DUE AND PAYABLE TO THE COMMISSIONER ON OR BEFORE ~~AUGUST~~  
4 ~~31~~ JULY 1 OF EACH YEAR.

5 (C) (1) FAILURE BY AN INSURER TO PAY THE ASSESSMENT FEE ON OR  
6 BEFORE ~~AUGUST 31~~ JULY 1 OF EACH YEAR SHALL SUBJECT THE INSURER TO THE  
7 PROVISIONS OF §§ 4-113 AND 4-114 OF THIS ARTICLE.

8 (2) IN ADDITION TO PARAGRAPH (1) OF THIS SUBSECTION, AN  
9 ASSESSMENT FEE NOT PAID ON OR BEFORE ~~AUGUST 31~~ JULY 1 MAY BE SUBJECT TO A  
10 PENALTY OF 5% AND INTEREST AT THE RATE DETERMINED UNDER § 13-701(B)(1) OF  
11 THE TAX - GENERAL ARTICLE FROM ~~AUGUST 31~~ JULY 1 UNTIL PAYMENT IS MADE TO  
12 THE COMMISSIONER.

13 (3) IF AN ADDITIONAL AMOUNT IS FOUND TO BE DUE AFTER THE  
14 ASSESSMENT FEE HAS BEEN PAID TO THE COMMISSIONER, THE ADDITIONAL  
15 AMOUNT IS SUBJECT TO INTEREST AT 6% FROM ~~AUGUST 31~~ JULY 1 UNTIL PAYMENT  
16 IS MADE TO THE COMMISSIONER.

17 (D) THE TOTAL AMOUNT OF THE ASSESSMENT FEE COLLECTED BY THE  
18 COMMISSIONER SHALL BE DEPOSITED IN THE FUND.

19 (E) THIS SECTION DOES NOT AFFECT ANY REQUIREMENT OTHERWISE  
20 ESTABLISHED BY LAW FOR THE PAYMENT OF PREMIUM TAXES BY AN INSURER.

21 2-504.

22 (A) THE ASSESSMENT FEE IMPOSED ON INSURERS UNDER THIS SUBTITLE IS  
23 IN LIEU OF ANY LIFE INSURANCE VALUATION FEES AND ~~FEES FOR FORM AND RATE~~  
24 ~~FILEINGS~~ A REDUCTION IN SPECIFIED AGENT FEES THAT THE COMMISSIONER HAD  
25 PREVIOUSLY CHARGED AND COLLECTED UNDER § 2-112 OF THIS TITLE.

26 (B) IN DETERMINING ADJUSTED PREMIUMS SUBJECT TO THE ASSESSMENT  
27 FEE, THE COMMISSIONER MAY USE THE PREMIUMS AS STATED IN THE REPORT  
28 REQUIRED UNDER § 2-506(A) OF THIS SUBTITLE.

29 2-505.

30 (A) THERE IS AN INSURANCE REGULATION FUND THAT CONSISTS OF:

31 (1) ALL REVENUE RECEIVED THROUGH THE IMPOSITION AND  
32 COLLECTION OF THE ASSESSMENT FEE UNDER THIS SUBTITLE; ~~AND~~

33 (2) ALL REVENUE RECEIVED THROUGH THE IMPOSITION AND  
34 COLLECTION OF THE FEES SET FORTH IN § 2-112 OF THIS TITLE;

1           (3)     ALL REVENUE RECEIVED THROUGH THE IMPOSITION AND  
2 COLLECTION OF THE FRAUD PREVENTION FEE UNDER TITLE 6, SUBTITLE 2 OF THIS  
3 ARTICLE;

4           (4)     ALL REVENUE RECEIVED THROUGH THE COLLECTION OF  
5 EXAMINATION EXPENSES UNDER § 2-208 OF THIS TITLE;

6           (5)     EXCEPT AS PROVIDED IN § 2-114(A) OF THIS TITLE, ALL OTHER FEES  
7 RECEIVED THROUGH THE IMPOSITION AND COLLECTION OF FEES SET FORTH IN  
8 THIS ARTICLE; AND

9           (⇒)    (6)     INCOME FROM INVESTMENTS THAT THE STATE TREASURER  
10 MAKES FOR THE FUND.

11         (B)     THE PURPOSE OF THE FUND IS TO ~~SUPPLEMENT EXPENDITURES FOR PAY~~  
12 ALL THE COSTS AND EXPENSES INCURRED BY THE ADMINISTRATION THAT ARE  
13 RELATED TO ITS RESPONSIBILITIES TO REGULATE THE INSURANCE ACTIVITIES OF  
14 ALL INSURERS THAT ENGAGE IN THE INSURANCE BUSINESS IN THIS STATE.

15         (C)     (1)     ALL THE COSTS AND EXPENSES OF THE ADMINISTRATION SHALL BE  
16 INCLUDED IN THE STATE BUDGET.

17           (⇔)    (2)     ANY EXPENDITURES FROM THE FUND TO COVER COSTS AND  
18 EXPENSES OF THE ADMINISTRATION MAY ONLY BE MADE:

19                   (I)     WITH AN APPROPRIATION FROM THE FUND APPROVED BY THE  
20 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET; OR

21                   (II)    BY THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN §  
22 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

23           (⇒)    (3)     (I)     IF, IN ANY GIVEN FISCAL YEAR, THE AMOUNT OF THE  
24 ASSESSMENT FEE REVENUE COLLECTED BY THE COMMISSIONER UNDER THIS  
25 SUBTITLE AND DEPOSITED INTO THE FUND EXCEEDS THE ACTUAL APPROPRIATIONS  
26 FOR THE ADMINISTRATION, THE EXCESS AMOUNT SHALL BE CARRIED FORWARD  
27 WITHIN THE FUND FOR THE PURPOSE OF REDUCING THE ASSESSMENT FEE IMPOSED  
28 BY THE ADMINISTRATION FOR THE FOLLOWING FISCAL YEAR.

29                   (II)    IF, IN ANY GIVEN FISCAL YEAR, THE AMOUNT OF THE  
30 ASSESSMENT FEE REVENUE COLLECTED BY THE COMMISSIONER UNDER THIS  
31 SUBTITLE AND DEPOSITED INTO THE FUND IS INSUFFICIENT TO COVER THE  
32 EXPENDITURES OF THE ADMINISTRATION BECAUSE OF AN UNFORESEEN  
33 EMERGENCY AND EXPENDITURES ARE MADE IN ACCORDANCE WITH THE BUDGET  
34 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND  
35 PROCUREMENT ARTICLE, AN ADDITIONAL ASSESSMENT FOR THE EXPENDITURES  
36 MAY BE MADE.

37         (D)     (1)     THE STATE TREASURER IS THE CUSTODIAN OF THE FUND.

1 (2) THE STATE TREASURER SHALL DEPOSIT PAYMENTS RECEIVED FROM  
2 THE COMMISSIONER INTO THE FUND.

3 (E) (1) THE FUND IS A CONTINUING, NONLAPSING FUND AND IS NOT  
4 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, AND MAY  
5 NOT BE DEEMED A PART OF THE GENERAL FUND OF THE STATE.

6 (2) NO PART OF THE FUND MAY REVERT OR BE CREDITED TO:

7 (I) THE GENERAL FUND OF THE STATE; OR

8 (II) A SPECIAL FUND OF THE STATE, UNLESS OTHERWISE  
9 PROVIDED BY LAW.

10 2-506.

11 (A) (1) ON OR BEFORE MARCH 1 OF EACH YEAR, EACH INSURER SUBJECT TO  
12 THIS SUBTITLE SHALL FILE WITH THE COMMISSIONER A REPORT OF THE NEW AND  
13 RENEWAL GROSS DIRECT PREMIUMS.

14 (2) THE REPORT SHALL BE FILED IN A MANNER AND CONTAIN THE  
15 INFORMATION REQUIRED BY THE COMMISSIONER.

16 (B) IF AN INSURER FILES ITS ANNUAL STATEMENT ON OR BEFORE MARCH 1,  
17 AND THE INFORMATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION IS  
18 INCLUDED IN THAT ANNUAL STATEMENT, THE INSURER IS NOT REQUIRED TO FILE A  
19 REPORT UNDER SUBSECTION (A) OF THIS SECTION.

20 2-507.

21 THE COMMISSIONER MAY ADOPT REGULATIONS NECESSARY TO IMPLEMENT  
22 ANY PROVISION OF THIS SUBTITLE.

23 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
24 read as follows:

25 Article - Insurance

26 6-104.

27 (C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ANY INSURER  
28 THAT HAS ITS HOME OFFICE IN THIS STATE SHALL BE ENTITLED TO A CREDIT  
29 AGAINST THE TOTAL AMOUNT OF THE TAXES PAYABLE BY THE INSURER UNDER  
30 THIS SUBTITLE EQUAL TO THE AMOUNT OF ALL RETALIATORY TAXES IMPOSED ON  
31 THE INSURER IN OTHER STATES AS A RESULT OF ITS PAYMENT OF THE  
32 ASSESSMENT FEE REQUIRED UNDER TITLE 2, SUBTITLE 5 OF THIS ARTICLE.

33 (2) THE AGGREGATE TOTAL AMOUNT THAT MAY BE CREDITED TO ALL  
34 QUALIFYING INSURERS UNDER THIS SECTION MAY NOT EXCEED \$1 MILLION IN ANY  
35 FISCAL YEAR.

1           (3)     IF THE CREDIT AVAILABLE TO INSURERS UNDER PARAGRAPH (2) OF  
 2 THIS SUBSECTION IS INSUFFICIENT TO OFFSET THE RETALIATORY TAXES  
 3 ATTRIBUTABLE TO THE IMPOSITION OF THE ASSESSMENT FEE UNDER TITLE 2,  
 4 SUBTITLE 5 OF THIS ARTICLE, THE AVAILABLE CREDIT SHALL BE APPORTIONED  
 5 AMONG THOSE INSURERS CLAIMING THE CREDIT BASED ON THE RATIO OF GROSS  
 6 DIRECT WRITTEN PREMIUM ALLOCABLE TO THIS STATE OF THE INSURER CLAIMING  
 7 THE CREDIT TO THE TOTAL AMOUNT OF GROSS DIRECT WRITTEN PREMIUM  
 8 ALLOCABLE TO THIS STATE WRITTEN BY ALL INSURERS CLAIMING THE CREDIT.

9 6-105.

10       [(a)     (1)     A life insurer with its home office in the State is entitled to credit  
 11 against the total amount of taxes payable by the life insurer under this subtitle, the  
 12 amount of fees paid to the Commissioner by the life insurer in the preceding calendar  
 13 year for valuing life insurance policies.

14       (2)     The credit allowed under this subsection may not exceed 15% of the  
 15 total amount of the taxes that would have been payable if the credit were not allowed.

16       (b)]     A person that is subject to taxation under this subtitle may claim a tax  
 17 credit against the tax imposed for neighborhood and community assistance  
 18 contributions as provided under Article 83B, § 4-704 of the Code.

19 6-201.

20       (a)     The Commissioner shall collect a fraud prevention fee as provided in this  
 21 subtitle.

22       (b)     The fraud prevention fee is in addition to any fees, penalties, charges, or  
 23 premium taxes imposed under this article.

24 6-202.

25       (a)     The Commissioner shall collect the fraud prevention fee.

26       (b)     The total amount of the fraud prevention fee collected by the Commissioner  
 27 shall be deposited in the Insurance [Fraud Division] REGULATION Fund [for the sole  
 28 purpose of funding the activities of the Insurance Fraud Division] AS PROVIDED IN §  
 29 2-505 OF THIS ARTICLE.

30 6-303.

31       (a)     When by or pursuant to the laws of any other state or foreign country any  
 32 taxes, licenses and other fees OTHER THAN FEES SIMILAR TO THE ASSESSMENT FEE  
 33 ESTABLISHED UNDER TITLE 2, SUBTITLE 5 OF THIS ARTICLE, in the aggregate, and  
 34 any fines, penalties, deposit requirements or other material obligations, prohibitions  
 35 or restrictions are or would be imposed upon Maryland insurers, or upon the agents  
 36 or representatives of such insurers, which are in excess of such taxes, licenses and  
 37 other fees, in the aggregate, or which are in excess of the fines, penalties, deposit  
 38 requirements or other obligations, prohibitions, or restrictions directly imposed upon

1 similar insurers, or upon the agents or representatives of such insurers, of such other  
 2 state or country under the statutes of this State, so long as such laws of such other  
 3 state or country continue in force or are so applied, the same taxes, licenses and other  
 4 fees, in the aggregate, or fines, penalties or deposit requirements or other material  
 5 obligations, prohibitions, or restrictions of whatever kind shall be imposed by the  
 6 Commissioner upon the insurers, or upon the agents or representatives of such  
 7 insurers, of such other state or country doing business or seeking to do business in  
 8 Maryland.

9 14-102.

10 A corporation without capital stock organized for the purpose of establishing,  
 11 maintaining, and operating a nonprofit health service plan through which health care  
 12 providers provide health care services to subscribers to the plan under contracts that  
 13 entitle each subscriber to certain health care services shall be governed and regulated  
 14 by:

15 (1) this subtitle;

16 (2) Title 2, SUBTITLE 2 OF THIS ARTICLE and §§ 1-206, 3-127, and  
 17 12-210 of this article;

18 (3) TITLE 2, SUBTITLE 5 OF THIS ARTICLE;

19 [(3)] (4) §§ 4-113 and 4-114 of this article;

20 [(4)] (5) Title 5, Subtitles 1, 2, 3, 4, and 5 of this article;

21 [(5)] (6) Title 7 of this article, except for § 7-706 and Subtitle 2 of Title  
 22 7;

23 [(6)] (7) Title 9, Subtitles 1, 2, and 4 of this article;

24 [(7)] (8) Title 10, Subtitle 1 of this article;

25 [(8)] (9) Title 27 of this article; and

26 [(9)] (10) any other provision of this article that:

27 (i) is expressly referred to in this subtitle;

28 (ii) expressly refers to this subtitle; or

29 (iii) expressly refers to nonprofit health service plans or persons  
 30 subject to this subtitle.

31 14-402.

32 (A) This subtitle does not apply to:



1 (1) a dentist or professional dental corporation that accepts payment on  
2 a fee-for-service basis for providing specific dental services to individual patients for  
3 whom the services have been prediagnosed;

4 (2) an authorized insurer whose activities are authorized and regulated  
5 under other provisions of this article;

6 (3) a nonprofit health service plan that is subject to Subtitle 1 of this  
7 title;

8 (4) a health maintenance organization that is authorized by and subject  
9 to Title 19, Subtitle 7 of the Health - General Article; or

10 (5) a dental plan whose regulation by the State is preempted by federal  
11 law.

12 (B) IN ADDITION TO THE PROVISIONS OF THIS SUBTITLE, DENTAL PLAN  
13 ORGANIZATIONS ARE SUBJECT TO THE PROVISIONS OF TITLE 2, SUBTITLE 5 OF THIS  
14 ARTICLE.

15 20-201.

16 (a) There is a Maryland Automobile Insurance Fund.

17 (b) The Fund is a member of the Property and Casualty Insurance Guaranty  
18 Corporation.

19 (C) IN ADDITION TO THE PROVISIONS OF THIS TITLE, THE FUND IS SUBJECT  
20 TO TITLE 2, SUBTITLE 5 OF THIS ARTICLE.

21 SECTION ~~2~~ 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
22 read as follows:

23 **Article - Insurance**

24 2-112.

25 (a) Fees for the following certificates, licenses, and services shall be collected  
26 in advance by the Commissioner, and shall be paid by the appropriate persons to the  
27 Commissioner:

28 (1) fees for certificates of authority:

29 (i) application fee for initial certificate of authority, including filing  
30 the application, articles of incorporation and other charter documents, except as  
31 provided in item (2) of this subsection, bylaws, financial statement, examination  
32 report, power of attorney to the Commissioner, and all other documents and filings in  
33 connection with the application..... \$1,000

34 (ii) fee for initial certificate of authority..... \$200

1 (iii) fee for annual renewal of certificate of authority for all foreign  
2 insurers and for domestic insurers with their home or executive office in the  
3 State.....\$500

4 (iv) fee for annual renewal of certificate of authority for domestic  
5 insurers with their home or executive office outside the State, except those domestic  
6 insurers that had their home or executive office outside the State before January 1,  
7 1929:

8 1. with premiums written in the most recent calendar year  
9 not exceeding \$500,000.....\$2,500

10 2. with premiums written in the most recent calendar year  
11 not exceeding \$1,000,000.....\$5,000

12 3. with premiums written in the most recent calendar year  
13 not exceeding \$2,000,000.....\$7,000

14 4. with premiums written in the most recent calendar year  
15 not exceeding \$5,000,000.....\$9,000

16 5. with premiums written in the most recent calendar year of  
17 more than \$5,000,000.....\$11,000

18 (v) reinstatement of certificate of authority.....\$500

19 (2) fees for articles of incorporation of a domestic insurer or foreign  
20 insurer, exclusive of fees required to be paid to the Department of Assessments and  
21 Taxation:

22 (i) fee for filing the articles of incorporation with the Commissioner  
23 for approval.....\$25

24 (ii) fee for amendment of the articles of incorporation.....\$10

25 (3) fees for filing bylaws or amendments to bylaws with the  
26 Commissioner.....\$10

27 (4) fees for certificates of qualification:

28 (i) agent certificate of qualification:

29 1. fee for initial certificate within 1 year of renewal.....\$25

30 2. fee for initial certificate over 1 year from renewal .....\$50

31 3. biennial renewal fee.....\$50

32 (ii) broker certificate of qualification:

33 1. fee for initial certificate within 1 year of renewal.....\$40

1	2.	fee for initial certificate over 1 year from renewal .....	\$80
2	3.	biennial renewal fee.....	\$80
3	(iii)	application fee.....	\$25
4	(iv)	managing general agent certificate of qualification:	
5	1.	fee for initial certificate.....	\$30
6	2.	annual renewal fee.....	\$30
7	(v)	surplus lines broker certificate of qualification:	
8	1.	fee for initial certificate within 1 year of renewal.....	\$100
9	2.	fee for initial certificate over 1 year from renewal .....	\$100
10	3.	biennial renewal fee.....	\$200
11	(5)	fees for appointments:	
12	(i)	fee for filing notice of each initial appointment .....	<del>\$25</del> <u>\$15</u>
13	(ii)	fee for filing notice of each termination .....	<del>\$25</del> <u>\$5</u>
14	(6)	fee for temporary certificates of qualification and appointments:	
15	(i)	agents.....	\$25
16	(ii)	brokers.....	\$40
17	(7)	fee for approval by the Commissioner of continuing education	
18	courses.....		\$50
19	(8)	fees for licenses:	
20	(i)	public adjuster license:	
21	1.	fee for initial license within 1 year of renewal .....	\$25
22	2.	fee for initial license over 1 year from renewal .....	\$50
23	3.	biennial renewal fee.....	\$50
24	(ii)	adviser license:	
25	1.	fee for initial license within 1 year of renewal .....	\$100
26	2.	fee for initial license over 1 year from renewal .....	\$200
27	3.	biennial renewal fee.....	\$200

- 1           (9)     fee for each insurance vending machine license, for each machine,
- 2 every second year.....\$50
  
- 3           (10)    fees for filing the annual statement by an unauthorized insurer
- 4 applying for approval to become an accepted insurer or applying for approval to
- 5 become an accepted reinsurer or surplus lines carrier or both..... \$1,000
  
- 6           (11)    fees for form and rate filings under Title 11, Subtitles 2 and 4 and §§
- 7 8-434, 12-203, 13-110, and 14-126 of this article ..... ~~\$100~~ \$125
  
- 8           (12)}    service of legal process fee under §§ 3-318(b), 3-319(d), and 4-107 of
- 9 this article .....\$15
  
- 10       (b)     A court may award reimbursement of a service of process fee imposed
- 11 under subsection ~~{a}(12)}~~~~(A)(11)~~ of this section to a prevailing plaintiff in any
- 12 proceeding against an insurer or surplus lines broker.

13     SECTION ~~3~~. 6. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 14 read as follows:

**Article - Insurance**

16 2-112.

17       (a)     Fees for the following certificates, licenses, and services shall be collected  
 18 in advance by the Commissioner, and shall be paid by the appropriate persons to the  
 19 Commissioner:

- 20           (1)     fees for certificates of authority:
  
- 21                   (i)     application fee for initial certificate of authority, including filing
- 22 the application, articles of incorporation and other charter documents, except as
- 23 provided in item (2) of this subsection, bylaws, financial statement, examination
- 24 report, power of attorney to the Commissioner, and all other documents and filings in
- 25 connection with the application..... \$1,000
  
- 26                   (ii)    fee for initial certificate of authority..... \$200
  
- 27                   (iii)   fee for annual renewal of certificate of authority for all foreign
- 28 insurers and for domestic insurers with their home or executive office in the
- 29 State..... \$500
  
- 30                   (iv)    fee for annual renewal of certificate of authority for domestic
- 31 insurers with their home or executive office outside the State, except those domestic
- 32 insurers that had their home or executive office outside the State before January 1,
- 33 1929:
  
- 34                           1.     with premiums written in the most recent calendar year
- 35 not exceeding \$500,000..... \$2,500

21	.....		
1	2.	with premiums written in the most recent calendar year	
2	not exceeding \$1,000,000.....		\$5,000
3	3.	with premiums written in the most recent calendar year	
4	not exceeding \$2,000,000.....		\$7,000
5	4.	with premiums written in the most recent calendar year	
6	not exceeding \$5,000,000.....		\$9,000
7	5.	with premiums written in the most recent calendar year of	
8	more than \$5,000,000.....		\$11,000
9	(v)	reinstatement of certificate of authority.....	\$500
10	(2)	fees for articles of incorporation of a domestic insurer or foreign	
11	insurer, exclusive of fees required to be paid to the Department of Assessments and		
12	Taxation:		
13	(i)	fee for filing the articles of incorporation with the Commissioner	
14	for approval.....		\$25
15	(ii)	fee for amendment of the articles of incorporation.....	\$10
16	(3)	fees for filing bylaws or amendments to bylaws with the	
17	Commissioner.....		\$10
18	(4)	fees for certificates of qualification:	
19	(i)	agent certificate of qualification:	
20	1.	fee for initial certificate within 1 year of renewal.....	\$25
21	2.	fee for initial certificate over 1 year from renewal .....	\$50
22	3.	biennial renewal fee.....	\$50
23	(ii)	broker certificate of qualification:	
24	1.	fee for initial certificate within 1 year of renewal.....	\$40
25	2.	fee for initial certificate over 1 year from renewal .....	\$80
26	3.	biennial renewal fee.....	\$80
27	(iii)	application fee.....	\$25
28	(iv)	managing general agent certificate of qualification:	
29	1.	fee for initial certificate.....	\$30
30	2.	annual renewal fee.....	\$30

- 1 (v) surplus lines broker certificate of qualification:
  - 2 1. fee for initial certificate within 1 year of renewal.....\$100
  - 3 2. fee for initial certificate over 1 year from renewal .....\$100
  - 4 3. biennial renewal fee.....\$200
- 5 (5) fees for appointments:
  - 6 (i) fee for filing notice of each initial appointment ..... ~~\$25~~ \$15
  - 7 (ii) fee for filing notice of each termination ..... ~~\$25~~ \$5
- 8 (6) fee for temporary certificates of qualification and appointments:
  - 9 (i) agents.....\$25
  - 10 (ii) brokers.....\$40
- 11 (7) fee for approval by the Commissioner of continuing education
  - 12 courses.....\$50
- 13 (8) fees for licenses:
  - 14 (i) public adjuster license:
    - 15 1. fee for initial license within 1 year of renewal .....\$25
    - 16 2. fee for initial license over 1 year from renewal .....\$50
    - 17 3. biennial renewal fee.....\$50
  - 18 (ii) adviser license:
    - 19 1. fee for initial license within 1 year of renewal .....\$100
    - 20 2. fee for initial license over 1 year from renewal .....\$200
    - 21 3. biennial renewal fee.....\$200
- 22 (9) fee for each insurance vending machine license, for each machine,
  - 23 every second year.....\$50
- 24 (10) fees for filing trade names with the Commissioner:
  - 25 (i) initial filing .....\$25
  - 26 (ii) each amendment.....\$5
- 27 (11) [fees for valuing life insurance policies, other than group or credit:

1 (i) for the first \$14,000,000 of insurance or any fractional  
2 part of insurance.....\$350

3 (ii) for each additional \$1,000,000 of insurance or any fractional  
4 part of insurance.....\$25

5 (12) fees for valuing group life insurance policies other than credit, per  
6 million of insurance or any fractional part of insurance .....\$3

7 (13) fees for valuing individual and group credit life insurance policies,  
8 per million of insurance or any fractional part of insurance .....\$12

9 (14) fees for valuing the reserve liabilities for outstanding annuity  
10 contracts, per million of reserve or any fractional part of reserve .....\$25

11 (15)] fees for certification by the Commissioner under seal .....\$5

12 [(16)] (12) fees for filing the annual statement by an unauthorized  
13 insurer applying for approval to become an accepted insurer or applying for approval  
14 to become an accepted reinsurer or surplus lines carrier or both .....\$1,000

15 ~~(17)~~ (13) fees for form and rate filings under Title 11, Subtitles 2 and 4  
16 and §§ 8-434, 12-203, 13-110, and 14-126 of this article ..... \$100 \$125

17 ~~(18)]~~ (13) (14) service of legal process fee under §§ 3-318(b), 3-319(d),  
18 and 4-107 of this article.....\$15

19 (b) A court may award reimbursement of a service of process fee imposed  
20 under subsection [(a)(18)] (A)~~(13)~~ (14) of this section to a prevailing plaintiff in any  
21 proceeding against an insurer or surplus lines broker.

22 SECTION 4. 7. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
23 read as follows:

24 **Article - Insurance**

25 2-103.

26 (a) (1) The Governor shall appoint the Commissioner with the advice and  
27 consent of the Senate.

28 (2) The Commissioner [serves at the pleasure of the Governor] SHALL  
29 SERVE FOR A TERM OF 4 YEARS.

30 (3) The Commissioner is directly responsible to the Governor.

31 (4) The Commissioner shall counsel and advise the Governor on all  
32 matters assigned to the Administration.

33 (5) THE COMMISSIONER MAY BE REMOVED BY THE GOVERNOR FOR:





1 SECTION 8. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 2 read as follows:

3 Chapter 538 of the Acts of 1993

4 [SECTION 4. AND BE IT FURTHER ENACTED, That the fees and charges  
 5 required under Article 48A, Sections 41 and 205(b) of the Code as enacted by this Act  
 6 shall be used solely for the administration and operation of the Insurance  
 7 Administration.]

8 SECTION 9. AND BE IT FURTHER ENACTED, That:

9 (a) the provisions of § 2-103(a)(2) of the Insurance Article shall apply to the  
 10 Insurance Commissioner serving as the Insurance Commissioner of the Maryland  
 11 Insurance Administration on June 1, 1998; and

12 (b) notwithstanding the provisions of § 2-103(a)(2) of the Insurance Article, for  
 13 the Insurance Commissioner serving as the Insurance Commissioner of the Maryland  
 14 Insurance Administration on June 1, 1998, the initial term of office shall be 5 years.

15 SECTION 9- 10. AND BE IT FURTHER ENACTED, That the balance  
 16 remaining in the Insurance Fraud Division Fund at the end of June 30, 1999 be  
 17 transferred to the Insurance Regulation Fund, as provided in § 2-505 of the Insurance  
 18 Article, as enacted by this Act.

19 SECTION ~~10-~~ 11. AND BE IT FURTHER ENACTED, That the Insurance  
 20 Commissioner shall:

21 (a) conduct a study to determine the conditions under which property and  
 22 casualty insurance forms may be used upon filing with the Commissioner without the  
 23 prior approval of the Commissioner; and

24 (b) on or before January 1, 1999, submit a report on the results of the study,  
 25 including any recommendations, to the House Economic Matters Committee and the  
 26 Senate Finance Committee.

27 SECTION ~~5-~~ ~~11-~~ 12. AND BE IT FURTHER ENACTED, That Section 1 of this  
 28 Act shall take effect July 1, ~~1999~~ 1998.

29 SECTION ~~12-~~ 13. AND BE IT FURTHER ENACTED, That Section 3 of this Act  
 30 shall take effect April 1, 1999.

31 SECTION ~~6-~~ ~~13-~~ 14. AND BE IT FURTHER ENACTED, That Section ~~2~~ 5 of this  
 32 Act shall take effect July 1, 1999. At the end of December 31, 2001, and with no  
 33 further action required by the General Assembly Section ~~2~~ 5 of this Act shall be  
 34 abrogated and of no further force and effect.

35 SECTION 7- ~~14-~~ 15. AND BE IT FURTHER ENACTED, That Section ~~3~~ 6 of this  
 36 Act shall take effect January 1, 2002.

1     ~~SECTION 15- 16. AND BE IT FURTHER ENACTED, That Sections 7 and 10, 9,~~  
2 ~~and 11 of this Act shall take effect June 1, 1998.~~

3     SECTION ~~8- 16, 17.~~ AND BE IT FURTHER ENACTED, That, except as  
4 provided in Sections ~~5, 6, and 7 11, 12, 13, 14, and 15~~ 12, 13, 14, 15, and 16 of this Act,  
5 this Act shall take effect ~~June 1, 1998~~ July 1, 1999.