

SENATE BILL 705

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C4

1998 Regular Session
8lr2123
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By: **Senators Derr and Astle**

Introduced and read first time: February 16, 1998

Assigned to: Rules

Re-referred to: Finance, February 19, 1998

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 10, 1998

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 the
7 guidelines used by the Commissioner when calculating retaliatory taxes and
8 fees; establishing the Insurance Regulation Fund; providing for the income,
9 purpose, expenditures, and custodian of the Fund; defining certain terms;
10 altering certain termination dates; providing for the application of certain
11 provisions of this Act; providing for the termination of certain provisions of this
12 Act; providing for the effective date of certain provisions of this Act; and
13 generally relating to the funding of the costs and expenses of the Maryland
14 Insurance Administration related to the regulation of insurance activities in the
15 State.

16 BY adding to
17 Article - Health - General
18 Section 19-706(y)
19 Annotated Code of Maryland
20 (1996 Replacement Volume and 1997 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article - Insurance
23 Section 2-112, 2-114, 6-105, 6-303(a), 14-102, 14-402, and 20-201
24 Annotated Code of Maryland

1 (1997 Volume)
2 BY adding to
3 Article - Insurance
4 Section 2-501 through 2-507, inclusive, to be under the new subtitle "Subtitle 5.
5 Insurance Assessment Fee"
6 Annotated Code of Maryland
7 (1997 Volume)

8 BY repealing and reenacting, with amendments,
9 Article - Insurance
10 Section 2-112
11 Annotated Code of Maryland
12 (1997 Volume)
13 (As enacted by Chapter 70, Section 2 of the Acts of the General Assembly of
14 1997)

15 BY repealing and reenacting, with amendments,
16 Chapter 685 of the Acts of the General Assembly of 1997
17 Section 6 and 7

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

20 **Article - Health - General**

21 19-706.

22 (Y) THE PROVISIONS OF TITLE 2, SUBTITLE 5 OF THE INSURANCE ARTICLE
23 APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.

24 **Article - Insurance**

25 2-114.

26 (a) Except as provided in subsections (b) [and (c)], (C), AND (D) of this section,
27 the Commissioner shall pay all money collected under this article into the General
28 Fund of the State.

29 (b) The Commissioner shall pay all money collected for travel expenses and
30 living expense allowance under § 2-208(1) of this article into a special revolving fund
31 held by the Comptroller for the sole purpose of paying the costs of examinations of
32 insurers.

33 (c) The following moneys may not be considered general funds of the State
34 and shall be deposited in the Insurance Fraud Division Fund:

1 (1) revenue derived from the fraud prevention fee under Title 6, Subtitle
2 2 of this article; and

3 (2) income from investments that the State Treasurer makes for the
4 Insurance Fraud Division Fund.

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

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

10 (2) INCOME FROM INVESTMENTS THAT THE STATE TREASURER MAKES
11 FOR THE INSURANCE REGULATION FUND.

12 SUBTITLE 5. INSURANCE ASSESSMENT FEE.

13 2-501.

14 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
15 INDICATED.

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

17 (1) EQUALS THE APPROVED ADMINISTRATION'S ANNUAL BUDGET
18 APPROPRIATION, EXCLUDING THE APPROPRIATION FOR THE BUDGET OF THE
19 INSURANCE FRAUD DIVISION, LESS THE FEES COLLECTED UNDER ~~§ 2-112~~ OF THIS
20 TITLE; AND

21 (2) DOES NOT EXCEED 30% OF THE ADMINISTRATION'S APPROVED
22 BUDGET APPROPRIATION, EXCLUDING THE APPROPRIATION FOR THE BUDGET OF
23 THE INSURANCE FRAUD DIVISION.

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

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

29 (2) "HEALTH INSURER" INCLUDES:

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

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

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

3 (E) "HEALTH INSURER ASSESSMENT PORTION" MEANS THE PRODUCT OF
4 TWO-THIRDS MULTIPLIED BY TWO-THIRDS OF THE ASSESSMENT.

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

8 (2) "INSURER" INCLUDES:

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

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

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

16 (IV) THE MARYLAND AUTOMOBILE INSURANCE FUND.

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

20 (H) "LIFE INSURER ASSESSMENT PORTION" MEANS THE PRODUCT OF
21 ONE-THIRD MULTIPLIED BY TWO-THIRDS OF THE ASSESSMENT.

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

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

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

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

34 (K) "PROPERTY AND CASUALTY INSURER ASSESSMENT PORTION" MEANS
35 ONE-THIRD OF THE ASSESSMENT.

1 2-502.

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

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

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

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

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

25 2-503.

26 (A) THE COMMISSIONER SHALL COLLECT THE ANNUAL ASSESSMENT FEE
27 FROM EACH INSURER AS CALCULATED IN § 2-502 OF THIS SUBTITLE.

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

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

31 (2) DUE AND PAYABLE TO THE COMMISSIONER ON OR BEFORE AUGUST
32 31 OF EACH YEAR.

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

36 (2) IN ADDITION TO PARAGRAPH (1) OF THIS SUBSECTION, AN
37 ASSESSMENT FEE NOT PAID ON OR BEFORE AUGUST 31 MAY BE SUBJECT TO A
38 PENALTY OF 5% AND INTEREST AT THE RATE DETERMINED UNDER § 13-701(B)(1) OF

1 THE TAX - GENERAL ARTICLE FROM AUGUST 31 UNTIL PAYMENT IS MADE TO THE
2 COMMISSIONER.

3 (3) IF AN ADDITIONAL AMOUNT IS FOUND TO BE DUE AFTER THE
4 ASSESSMENT FEE HAS BEEN PAID TO THE COMMISSIONER, THE ADDITIONAL
5 AMOUNT IS SUBJECT TO INTEREST AT 6% FROM AUGUST 31 UNTIL PAYMENT IS MADE
6 TO THE COMMISSIONER.

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

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

11 2-504.

12 (A) THE ASSESSMENT FEE IMPOSED ON INSURERS UNDER THIS SUBTITLE IS
13 IN LIEU OF ANY LIFE INSURANCE VALUATION FEES AND FEES FOR FORM AND RATE
14 FILINGS THAT THE COMMISSIONER HAD PREVIOUSLY CHARGED AND COLLECTED
15 UNDER § 2-112 OF THIS TITLE.

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

19 2-505.

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

21 (1) ALL REVENUE RECEIVED THROUGH THE IMPOSITION AND
22 COLLECTION OF THE ASSESSMENT FEE UNDER THIS SUBTITLE; AND

23 (2) INCOME FROM INVESTMENTS THAT THE STATE TREASURER MAKES
24 FOR THE FUND.

25 (B) THE PURPOSE OF THE FUND IS TO SUPPLEMENT EXPENDITURES FOR THE
26 ADMINISTRATION THAT ARE RELATED TO ITS RESPONSIBILITIES TO REGULATE THE
27 INSURANCE ACTIVITIES OF ALL INSURERS THAT ENGAGE IN THE INSURANCE
28 BUSINESS IN THIS STATE.

29 (C) (1) ANY EXPENDITURES FROM THE FUND TO COVER COSTS AND
30 EXPENSES OF THE ADMINISTRATION MAY ONLY BE MADE:

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

33 (II) BY THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN §
34 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

35 (2) (I) IF, IN ANY GIVEN FISCAL YEAR, THE AMOUNT OF THE
36 ASSESSMENT FEE REVENUE COLLECTED BY THE COMMISSIONER UNDER THIS

1 SUBTITLE AND DEPOSITED INTO THE FUND EXCEEDS THE ACTUAL APPROPRIATIONS
2 FOR THE ADMINISTRATION, THE EXCESS AMOUNT SHALL BE CARRIED FORWARD
3 WITHIN THE FUND FOR THE PURPOSE OF REDUCING THE ASSESSMENT FEE IMPOSED
4 BY THE ADMINISTRATION FOR THE FOLLOWING FISCAL YEAR.

5 (II) IF, IN ANY GIVEN FISCAL YEAR, THE AMOUNT OF THE
6 ASSESSMENT FEE REVENUE COLLECTED BY THE COMMISSIONER UNDER THIS
7 SUBTITLE AND DEPOSITED INTO THE FUND IS INSUFFICIENT TO COVER THE
8 EXPENDITURES OF THE ADMINISTRATION BECAUSE OF AN UNFORESEEN
9 EMERGENCY AND EXPENDITURES ARE MADE IN ACCORDANCE WITH THE BUDGET
10 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND
11 PROCUREMENT ARTICLE, AN ADDITIONAL ASSESSMENT FOR THE EXPENDITURES
12 MAY BE MADE.

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

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

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

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

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

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

23 2-506.

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

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

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

33 2-507.

34 THE COMMISSIONER MAY ADOPT REGULATIONS NECESSARY TO IMPLEMENT
35 ANY PROVISION OF THIS SUBTITLE.

1 6-105.

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

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

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

11 6-303.

12 (a) When by or pursuant to the laws of any other state or foreign country any
13 taxes, licenses and other fees OTHER THAN FEES SIMILAR TO THE ASSESSMENT FEE
14 ESTABLISHED UNDER TITLE 2, SUBTITLE 5 OF THIS ARTICLE, in the aggregate, and
15 any fines, penalties, deposit requirements or other material obligations, prohibitions
16 or restrictions are or would be imposed upon Maryland insurers, or upon the agents
17 or representatives of such insurers, which are in excess of such taxes, licenses and
18 other fees, in the aggregate, or which are in excess of the fines, penalties, deposit
19 requirements or other obligations, prohibitions, or restrictions directly imposed upon
20 similar insurers, or upon the agents or representatives of such insurers, of such other
21 state or country under the statutes of this State, so long as such laws of such other
22 state or country continue in force or are so applied, the same taxes, licenses and other
23 fees, in the aggregate, or fines, penalties or deposit requirements or other material
24 obligations, prohibitions, or restrictions of whatever kind shall be imposed by the
25 Commissioner upon the insurers, or upon the agents or representatives of such
26 insurers, of such other state or country doing business or seeking to do business in
27 Maryland.

28 14-102.

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

34 (1) this subtitle;

35 (2) Title 2, SUBTITLE 2 OF THIS ARTICLE and §§ 1-206, 3-127, and
36 12-210 of this article;

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

38 [(3)] (4) §§ 4-113 and 4-114 of this article;

- 1 [(4)] (5) Title 5, Subtitles 1, 2, 3, 4, and 5 of this article;
- 2 [(5)] (6) Title 7 of this article, except for § 7-706 and Subtitle 2 of Title
3 7;
- 4 [(6)] (7) Title 9, Subtitles 1, 2, and 4 of this article;
- 5 [(7)] (8) Title 10, Subtitle 1 of this article;
- 6 [(8)] (9) Title 27 of this article; and
- 7 [(9)] (10) any other provision of this article that:
- 8 (i) is expressly referred to in this subtitle;
- 9 (ii) expressly refers to this subtitle; or
- 10 (iii) expressly refers to nonprofit health service plans or persons
11 subject to this subtitle.

12 14-402.

13 (A) This subtitle does not apply to:

- 14 (1) a dentist or professional dental corporation that accepts payment on
15 a fee-for-service basis for providing specific dental services to individual patients for
16 whom the services have been prediagnosed;
- 17 (2) an authorized insurer whose activities are authorized and regulated
18 under other provisions of this article;
- 19 (3) a nonprofit health service plan that is subject to Subtitle 1 of this
20 title;
- 21 (4) a health maintenance organization that is authorized by and subject
22 to Title 19, Subtitle 7 of the Health - General Article; or
- 23 (5) a dental plan whose regulation by the State is preempted by federal
24 law.

25 (B) IN ADDITION TO THE PROVISIONS OF THIS SUBTITLE, DENTAL PLAN
26 ORGANIZATIONS ARE SUBJECT TO THE PROVISIONS OF TITLE 2, SUBTITLE 5 OF THIS
27 ARTICLE.

28 20-201.

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

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

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

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

5 **Article - Insurance**

6 2-112.

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

10 (1) fees for certificates of authority:

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

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

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

20 (iv) fee for annual renewal of certificate of authority for domestic
21 insurers with their home or executive office outside the State, except those domestic
22 insurers that had their home or executive office outside the State before January 1,
23 1929:

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

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

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

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

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

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

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

4 (i) fee for filing the articles of incorporation with the Commissioner
5 for approval\$25

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

7 (3) fees for filing bylaws or amendments to bylaws with the
8 Commissioner\$10

9 (4) fees for certificates of qualification:

10 (i) agent certificate of qualification:

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

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

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

14 (ii) broker certificate of qualification:

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

16 2. fee for initial certificate over 1 year from renewal\$80

17 3. biennial renewal fee.....\$80

18 (iii) application fee.....\$25

19 (iv) managing general agent certificate of qualification:

20 1. fee for initial certificate.....\$30

21 2. annual renewal fee.....\$30

22 (v) surplus lines broker certificate of qualification:

23 1. fee for initial certificate within 1 year of renewal.....\$100

24 2. fee for initial certificate over 1 year from renewal\$100

25 3. biennial renewal fee.....\$200

26 (5) fees for appointments:

27 (i) fee for filing notice of each initial appointment\$25

28 (ii) fee for filing notice of each termination\$25

1	(6)	fee for temporary certificates of qualification and appointments:	
2	(i)	agents.....	\$25
3	(ii)	brokers.....	\$40
4	(7)	fee for approval by the Commissioner of continuing education	
5		courses.....	\$50
6	(8)	fees for licenses:	
7	(i)	public adjuster license:	
8		1. fee for initial license within 1 year of renewal	\$25
9		2. fee for initial license over 1 year from renewal	\$50
10		3. biennial renewal fee.....	\$50
11	(ii)	adviser license:	
12		1. fee for initial license within 1 year of renewal	\$100
13		2. fee for initial license over 1 year from renewal	\$200
14		3. biennial renewal fee.....	\$200
15	(9)	fee for each insurance vending machine license, for each machine,	
16		every second year.....	\$50
17	(10)	fees for filing the annual statement by an unauthorized insurer	
18		applying for approval to become an accepted insurer or applying for approval to	
19		become an accepted reinsurer or surplus lines carrier or both.....	\$1,000
20	(11)	[fees for form and rate filings under Title 11, Subtitles 2 and 4 and §§	
21		8-434, 12-203, 13-110, and 14-126 of this article	\$100
22	(12)]	service of legal process fee under §§ 3-318(b), 3-319(d), and 4-107 of	
23		this article	\$15
24	(b)	A court may award reimbursement of a service of process fee imposed	
25		under subsection [(a)(12)] (A)(11) of this section to a prevailing plaintiff in any	
26		proceeding against an insurer or surplus lines broker.	

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

Article - Insurance

1

2 2-112.

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

6 (1) fees for certificates of authority:

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

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

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

16 (iv) fee for annual renewal of certificate of authority for domestic
17 insurers with their home or executive office outside the State, except those domestic
18 insurers that had their home or executive office outside the State before January 1,
19 1929:

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

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

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

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

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

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

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

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

14		
1	(ii)	fee for amendment of the articles of incorporation.....	\$10
2	(3)	fees for filing bylaws or amendments to bylaws with the	
3	Commissioner	\$10
4	(4)	fees for certificates of qualification:	
5	(i)	agent certificate of qualification:	
6		1. fee for initial certificate within 1 year of renewal.....	\$25
7		2. fee for initial certificate over 1 year from renewal	\$50
8		3. biennial renewal fee.....	\$50
9	(ii)	broker certificate of qualification:	
10		1. fee for initial certificate within 1 year of renewal.....	\$40
11		2. fee for initial certificate over 1 year from renewal	\$80
12		3. biennial renewal fee.....	\$80
13	(iii)	application fee.....	\$25
14	(iv)	managing general agent certificate of qualification:	
15		1. fee for initial certificate.....	\$30
16		2. annual renewal fee.....	\$30
17	(v)	surplus lines broker certificate of qualification:	
18		1. fee for initial certificate within 1 year of renewal.....	\$100
19		2. fee for initial certificate over 1 year from renewal	\$100
20		3. biennial renewal fee.....	\$200
21	(5)	fees for appointments:	
22	(i)	fee for filing notice of each initial appointment	\$25
23	(ii)	fee for filing notice of each termination	\$25
24	(6)	fee for temporary certificates of qualification and appointments:	
25	(i)	agents.....	\$25
26	(ii)	brokers.....	\$40

1	(7)	fee for approval by the Commissioner of continuing education	
2		courses.....	\$50
3	(8)	fees for licenses:	
4	(i)	public adjuster license:	
5		1. fee for initial license within 1 year of renewal	\$25
6		2. fee for initial license over 1 year from renewal	\$50
7		3. biennial renewal fee.....	\$50
8	(ii)	adviser license:	
9		1. fee for initial license within 1 year of renewal	\$100
10		2. fee for initial license over 1 year from renewal	\$200
11		3. biennial renewal fee.....	\$200
12	(9)	fee for each insurance vending machine license, for each machine,	
13		every second year.....	\$50
14	(10)	fees for filing trade names with the Commissioner:	
15	(i)	initial filing	\$25
16	(ii)	each amendment.....	\$5
17	(11)	[fees for valuing life insurance policies, other than group or credit:	
18	(i)	for the first \$14,000,000 of insurance or any fractional	
19		part of insurance.....	\$350
20	(ii)	for each additional \$1,000,000 of insurance or any fractional	
21		part of insurance.....	\$25
22	(12)	fees for valuing group life insurance policies other than credit, per	
23		million of insurance or any fractional part of insurance	\$3
24	(13)	fees for valuing individual and group credit life insurance policies,	
25		per million of insurance or any fractional part of insurance	\$12
26	(14)	fees for valuing the reserve liabilities for outstanding annuity	
27		contracts, per million of reserve or any fractional part of reserve	\$25
28	(15)]	fees for certification by the Commissioner under seal	\$5

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

4 [(17)] fees for form and rate filings under Title 11, Subtitles 2 and 4 and §§
5 8-434, 12-203, 13-110, and 14-126 of this article \$100

6 (18) (13) service of legal process fee under §§ 3-318(b), 3-319(d), and
7 4-107 of this article \$15

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

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

Chapter 685 of the Acts of 1997

14 SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
15 take effect October 1, 1997. Section 3 of this Act shall remain effective for 1 YEAR AND
16 9 months and, at the end of June 30, [1998] 1999, with no further action required by
17 the General Assembly, Section 3 of this Act shall be abrogated and of no further force
18 and effect.

19 SECTION 7. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall
20 take effect June 1, 1997. Section 4 of this Act shall remain effective for a period of [1
21 year] 2 YEARS and, at the end of May 31, [1998] 1999, with no further action required
22 by the General Assembly, Section 4 of this Act shall be abrogated and of no further
23 force and effect.

24 SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
25 take effect July 1, 1999.

26 SECTION 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
27 take effect July 1, 1999. At the end of December 31, 2001, and with no further action
28 required by the General Assembly Section 2 of this Act shall be abrogated and of no
29 further force and effect.

30 SECTION 7. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
31 take effect January 1, 2002.

32 SECTION 8. AND BE IT FURTHER ENACTED, That, except as provided in
33 Sections 5, 6, and 7 of this Act, this Act shall take effect June 1, 1998.

