
By: **Delegate McKee**

Introduced and read first time: February 23, 1999

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance - Exemption from Regulation - Volunteer Fire Companies, Rescue**
3 **Squads, and Ambulance Companies**

4 FOR the purpose of exempting from regulation under the Insurance Article volunteer
5 fire companies, rescue squads, and ambulance companies that provide
6 emergency ambulance services to subscribers.

7 BY repealing and reenacting, with amendments,
8 Article - Insurance
9 Section 1-202
10 Annotated Code of Maryland
11 (1997 Volume and 1998 Supplement)

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

14 **Article - Insurance**

15 1-202.

16 This article does not apply to:

17 (1) a fraternal benefit society, except as provided in Title 8, Subtitle 4 of
18 this article;

19 (2) a nonprofit health service plan, except as otherwise provided in this
20 article; [or]

21 (3) an organization that:

22 (i) is organized and operated as a nonprofit organization
23 exclusively for the purpose of helping nonprofit educational or scientific institutions
24 by issuing annuity contracts only to or for the benefit of those institutions or
25 individuals serving those institutions;

- 1 (ii) irrevocably appoints the Commissioner as attorney to receive
2 service of process issued against it in the State so as to bind the organization and its
3 successors and to remain in effect as long as there is in force in the State a contract or
4 obligation arising from it;
- 5 (iii) is legally organized and qualified to do business and has been
6 actively doing business under the laws of its state of domicile for at least 10 years
7 before July 1, 1977;
- 8 (iv) files with the Commissioner a copy of any contract form issued
9 to residents of this State;
- 10 (v) files with the Commissioner on or before March 1 of each year:
- 11 1. a copy of its annual statement prepared under the laws of
12 its state of domicile; and
- 13 2. any other financial material that the Commissioner
14 requests;
- 15 (vi) agrees to submit to periodic examinations as the Commissioner
16 considers necessary; and
- 17 (vii) pays the premium tax imposed by Title 6 of this article on all
18 premiums allocable to this State for life insurance and health insurance in effect for
19 residents of this State; [or]
- 20 (4) a voluntary noncontractual religious publication arrangement that:
- 21 (i) is a nonprofit religious organization for which the State may not
22 be held in any way liable or responsible for any of its debts, claims, obligations, or
23 liabilities;
- 24 (ii) publishes a newsletter whose subscribers are limited to
25 members of the same denomination or religion;
- 26 (iii) acts as an organizational clearinghouse for information between
27 subscribers who have medical costs and subscribers who choose to assist with those
28 costs;
- 29 (iv) matches subscribers with a willingness to pay and subscribers
30 with present medical costs;
- 31 (v) coordinates payments directly from one subscriber to another;
- 32 (vi) suggests amounts to give that are voluntary among the
33 subscribers, with no assumption of risk or promise to pay either among the
34 subscribers or between the subscribers and the organization;
- 35 (vii) does not use a compensated agent, representative, or other
36 person to solicit or enroll subscribers;

1 (viii) does not make a direct or indirect representation that it is
2 operating in a financially sound manner or that it has had a successful history of
3 meeting subscribers' medical costs;

4 (ix) provides to each subscriber a written monthly statement listing
5 both the total dollar amount of qualified medical costs submitted for publication and
6 the amount actually published and assigned for payment;

7 (x) does not use funds paid by subscribers for medical costs to cover
8 administrative costs;

9 (xi) submits a registration statement, including a copy of any
10 application forms and guidelines, promotional, or informational material distributed
11 by or on behalf of the arrangement, to the Secretary of State in accordance with the
12 provisions of Title 6, Subtitle 4 of the Business Regulation Article; and

13 (xii) provides the following verbatim written disclaimer as a
14 separate cover sheet for any and all documents distributed by or on behalf of the
15 exempt arrangement, including applications, guidelines, promotional, or
16 informational material and all periodic publications:

17 "Notice

18 This publication is not issued by an insurance company nor is it offered through
19 an insurance company. It does not guarantee or promise that your medical bills will
20 be published or assigned to others for payment. No other subscriber will be compelled
21 to contribute toward the cost of your medical bills. Therefore, this publication should
22 never be considered a substitute for an insurance policy. This activity is not regulated
23 by the State Insurance Administration, and your liabilities are not covered by the Life
24 and Health Guaranty Fund. Whether or not you receive any payments for medical
25 expenses and whether or not this entity continues to operate, you are always liable for
26 any unpaid bills." ; OR

27 (5) A VOLUNTEER FIRE COMPANY, RESCUE SQUAD, OR AMBULANCE
28 COMPANY THAT PROVIDES EMERGENCY AMBULANCE SERVICES TO SUBSCRIBERS.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 1999.