Unofficial Copy C3 2000 Regular Session (0lr0149)

ENROLLED BILL

-- Economic Matters/Finance --

Introduced by Chairman, Economic Matters Committee (Departmental - Insurance Administration, Maryland)

	Read and Examined by Proofreaders:	
		Proofreader.
	with the Great Seal and presented to the Governor, for his approval this day of at o'clock,M.	Proofreader.
		Speaker.
	CHAPTER	
1 AN	N ACT concerning	
2	Health Insurance - Dental Plan Organizations	
3 FC 4 5 6 7 8 9 10 11 12 13 14	OR the purpose of requiring dental plan organizations to meet certain capital and surplus requirements; requiring dental plan organizations to deposit a certain amount of security with the Maryland Insurance Commissioner or a certain organization or trustee; specifying the purpose of the deposit requirement; authorizing the Commissioner to reduce or eliminate the deposit requirement under certain circumstances; authorizing the Commissioner to impose certain penalties against dental plan organizations under certain circumstances; authorizing the Commissioner to require dental plan organizations to make restitution to a person who suffered financial injury; providing a certain exception to certain requirements for certain dental plan organizations under certain circumstances; and generally relating to dental plan organizations, capital and surplus requirements, and penalties.	

15 BY repealing and reenacting, without amendments,

HOUSE BILL 99 1 Article - Insurance 2 Section 14-401 3 Annotated Code of Maryland (1997 Volume and 1999 Supplement) 4 5 BY repealing and reenacting, with amendments, Article - Insurance 6 7 Section 14-404 and 14-409 8 Annotated Code of Maryland (1997 Volume and 1999 Supplement) 9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 10 11 MARYLAND, That the Laws of Maryland read as follows: 12 **Article - Insurance** 13 14-401. 14 In this subtitle the following words have the meanings indicated. (a) 15 "Dental plan" means a contractual arrangement for dental services. (b) 16 "Dental plan organization" means a person that provides directly, arranges (c) for, or administers a dental plan on a prepaid or postpaid individual or group capitation basis. 19 "Dental service" means a service included in practicing dentistry as 20 defined in § 4-101 of the Health Occupations Article. 21 (e) "Enrollee" means an individual or dependent of the individual who is 22 enrolled in a dental plan. 23 "Evidence of coverage" means a contract or certificate that is issued to an 24 enrollee and that specifies the dental services to which the enrollee is entitled. 25 14-404. 26 In accordance with this section, a dental plan organization shall [obtain a 27 bond or possess surplus for the protection of enrollees] HAVE AND MAINTAIN AT ALL 28 TIMES A SURPLUS EQUAL TO THE GREATER OF: 29 (1) \$50,000; OR 2% OF THE ORGANIZATIONS' ANNUAL GROSS PREMIUM INCOME, UP 30 31 TO A MAXIMUM OF THE REQUIRED CAPITAL AND SURPLUS OF A STOCK INSURER

The amount of the surplus or bond shall equal the lesser of:

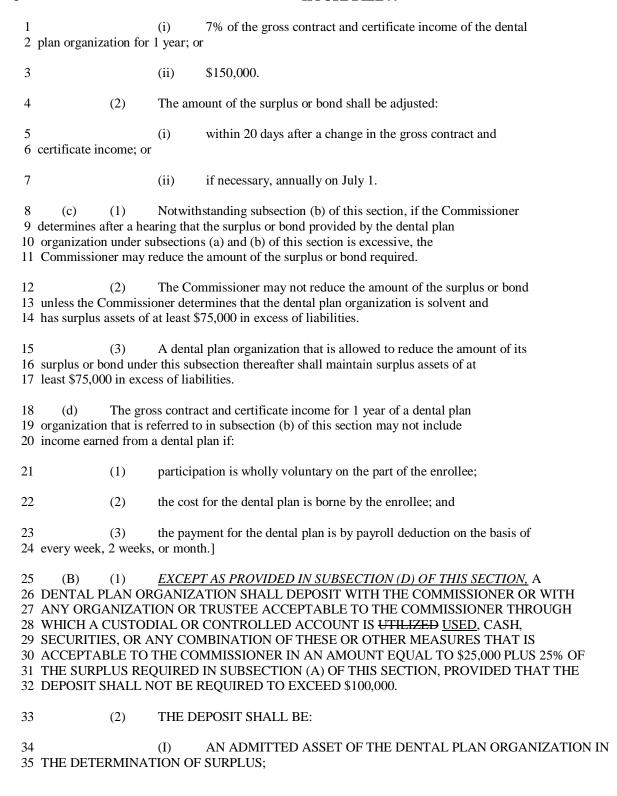
32 UNDER § 4-103 OF THIS ARTICLE.

(1)

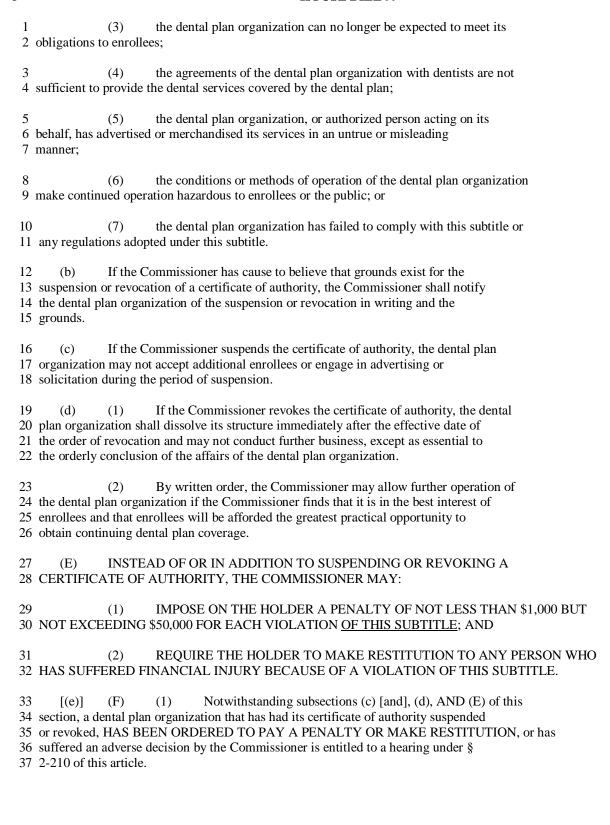
33

[(b)

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1 2	ORGANIZATION'S	(II) ENROLL	USED TO PROTECT THE INTERESTS OF THE DENTAL PLAN .EES;
	SERVICES TO ENR REHABILITATION		USED TO ASSURE CONTINUATION OF LIMITED HEALTH CARE OF A DENTAL PLAN ORGANIZATION THAT IS IN SERVATION; AND
	RECEIVERSHIP OR UNIFORM INSURE		IF A DENTAL PLAN ORGANIZATION IS PLACED IN ATION, AN ASSET SUBJECT TO PROVISIONS OF THE IDATION ACT.
9 10	(3) PLAN ORGANIZAT		COME FROM DEPOSITS SHALL BE AN ASSET OF THE DENTAL
	(4) PART THEREOF A VALUE.		TAL PLAN ORGANIZATION MAY WITHDRAW A DEPOSIT OR ANY AKING A SUBSTITUTE DEPOSIT OF EQUAL AMOUNT AND
14 15	(5) BY THE COMMISS		TITUTE DEPOSIT OF ANY SECURITIES SHALL BE APPROVED S SUBJECT TO THE APPROVAL OF THE COMMISSIONER.
18 19 20 21	COMMISSIONER M DENTAL PLAN OR OR JURISDICTION WHEREVER LOCA	MAY REI GANIZA OF DON TED, AN ILY AUT	DVIDED IN SUBSECTION (D) OF THIS SECTION, THE DUCE OR ELIMINATE THE DEPOSIT REQUIREMENT IF THE ATION HAS MADE AN ACCEPTABLE DEPOSIT WITH THE STATE MICILE FOR THE PROTECTION OF ALL ENROLLEES, NO DELIVERS TO THE COMMISSIONER A CERTIFICATE TO HENTICATED BY THE APPROPRIATE STATE OFFICIAL
	PLAN ORGANIZATI	ON THA	(B) AND (C) OF THIS SECTION DO NOT APPLY TO A DENTAL T DOES NOT HAVE ANY ENROLLEES, AS DETERMINED BY ONG AS THE DENTAL PLAN ORGANIZATION:
26	<u>(1)</u>	HELD A	CERTIFICATE OF AUTHORITY AS OF JANUARY 1, 2000;
27	<u>(2)</u>	<u>MAINTA</u>	AINS A CURRENT CERTIFICATE OF AUTHORITY; AND
28 29	<u>DETERMINED BY T</u>		IES WITH ALL APPLICABLE LAWS AND REGULATIONS, AS MISSIONER.
30	14-409.		
31 32			er may suspend or revoke a certificate of authority issued nder this subtitle if the Commissioner finds that:
33 34	(1) contrary to that descri		al plan organization is operating in a manner significantly § 14-403, 14-405, 14-407, and 14-408 of this subtitle;
35 36	(2) comply with § 14-41		al plan organization issues evidence of coverage that does not subtitle;



- 1 (2) Hearings and appeals from orders of the Commissioner are governed 2 by §§ 2-203 and 2-210 through 2-215 of this article.
- 3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 4 October 1, 2000.