

SENATE BILL 46

Unofficial Copy
C4

2001 Regular Session
11r0109
CF 11r0157

(PRE-FILED)

By: **Chairman, Finance Committee (Departmental - Insurance
Administration, Maryland)**

Requested: October 26, 2000

Introduced and read first time: January 10, 2001

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance - Risk Based Capital Standards for Insurers - Exemption**

3 FOR the purpose of authorizing the Commissioner to exempt certain insurers from
4 the application of certain provisions of the risk based capital standards for
5 certain insurers; and generally relating to exemptions from the risk based
6 capital standards for certain insurers.

7 BY repealing and reenacting, without amendments,
8 Article - Insurance
9 Section 4-311(c)
10 Annotated Code of Maryland
11 (1997 Volume and 2000 Supplement)

12 BY adding to
13 Article - Insurance
14 Section 4-311(d)
15 Annotated Code of Maryland
16 (1997 Volume and 2000 Supplement)

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 4-311.

21 (c) The Commissioner may exempt from the application of this Act any
22 domestic property and casualty insurer that:

23 (1) writes direct business only in the State;

24 (2) writes direct annual premiums of \$2,000,000 or less; and

1 (3) assumes no reinsurance in excess of 5% of direct premiums written.

2 (D) THE COMMISSIONER MAY EXEMPT FROM THE APPLICATION OF THIS ACT
3 ANY DOMESTIC HEALTH INSURER THAT:

4 (1) (I) WRITES DIRECT BUSINESS ONLY IN THE STATE;

5 (II) ASSUMES NO REINSURANCE IN EXCESS OF 5% OF DIRECT
6 PREMIUMS WRITTEN; AND

7 (III) WRITES DIRECT ANNUAL PREMIUMS FOR COMPREHENSIVE
8 MEDICAL BUSINESS OF \$2,000,000 OR LESS; OR

9 (2) COVERS LESS THAN 2,000 LIVES IF THE HEALTH INSURER IS:

10 (I) A NONPROFIT HEALTH SERVICE PLAN THAT PROVIDES
11 COVERAGE SOLELY FOR DENTAL SERVICES; OR

12 (II) A DENTAL PLAN ORGANIZATION.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 2001.