

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 472

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “transferring” in line 5 down through “Division;” in line 10; in line 11, strike “specifying” and substitute “altering”; in the same line, strike the second “the” and substitute “a certain”; strike beginning with “creating” in line 12 down through “exemption;” in line 13; in line 13, strike “a”; in line 14, strike “definition” and substitute “definitions”; strike beginning with “altering” in line 14 down through “way;” in line 15 and substitute “clarifying that certain provisions relating to fraudulent insurance acts apply to health maintenance organizations;”; in lines 15 and 16, strike “, on a quarterly basis;”; in line 17, after “account” insert “at certain times; requiring certain revenue deposited in a certain fund to be carried forward in the fund; requiring a certain assessment fee to be adjusted in a certain manner”; strike beginning with “requiring” in line 17 down through “fees;” in line 21; strike beginning with “providing” in line 22 down through “Department;” in line 24; in line 26, strike “defining certain terms;”; strike beginning with “2-112(a)(11)” in line 31 down through “Division” in line 32 and substitute “2-105(e) and 2-406”; and after line 34, insert:

“BY adding to

Article - Health - General

Section 19-706(ww)

Annotated Code of Maryland

(2000 Replacement Volume and 2001 Supplement)

BY repealing and reenacting, with amendments,

Article - Insurance

Section 2-110, 2-112(a), 2-114, 2-501(b), (e), (h), and (l), 2-503, and 2-505(c)

Annotated Code of Maryland

(1997 Volume and 2001 Supplement)

(Over)

BY adding to

Article - Insurance

Section 6-107(d)

Annotated Code of Maryland

(1997 Volume and 2001 Supplement)”.

On page 2, strike in their entirety lines 1 through 28, inclusive; and strike beginning with “2-401” in line 35 down through “Division” in line 36 and substitute “2-105(e) and 2-406”.

AMENDMENT NO. 2

On page 3, strike in their entirety lines 1 through 3, inclusive; and in line 4, strike “3.” and substitute “2.”.

On pages 3 through 6, strike in their entirety the lines beginning with line 6 on page 3 through line 4 on page 6, inclusive, and substitute:

“Article - Health - General

19-706.

(WW) THE REQUIREMENTS OF TITLE 27, SUBTITLE 4 OF THE INSURANCE ARTICLE APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.”

On page 6, in line 27, strike the second “and”; and after line 27, insert:

“(8) INFORMATION ABOUT THE OPERATION OF THE FRAUD DIVISION, INCLUDING:

(I) THE NUMBER OF COMPLAINTS RECEIVED THAT RELATE TO INSURANCE FRAUD, THE NATURE OF THE COMPLAINTS, AND THE RESOLUTION OF THE COMPLAINTS;

(II) THE NUMBER OF COMPLAINTS AND CASES REFERRED TO A STATE’S ATTORNEY AND THE RESOLUTION OF THE COMPLAINTS OR CASES;

(III) THE NUMBER OF COMPLAINTS AND CASES REFERRED TO THE OFFICE OF THE ATTORNEY GENERAL AND THE RESOLUTION OF THE

COMPLAINTS OR CASES:

(IV) THE NUMBER OF CALLS MADE TO THE INSURANCE FRAUD  
HOT LINE;

(V) THE NUMBER OF COMPLAINTS RECEIVED FROM PERSONS  
REGULATED BY THE COMMISSIONER;

(VI) THE TOTAL NUMBER OF CASES, BY TYPE OF INSURANCE  
FRAUD; AND

(VII) THE NUMBER AND PERCENTAGE OF CASES THAT RESULT  
IN THE IMPOSITION OF CIVIL OR CRIMINAL PENALTIES;

(9) A LIST OF ALL STAFF POSITIONS, CLASSIFICATIONS, AND  
SALARIES IN THE ADMINISTRATION AS OF THE END OF THE PRECEDING CALENDAR  
YEAR; AND”;

and in line 28, strike “(8)” and substitute “(10)”.

AMENDMENT NO. 3

On page 7, strike in their entirety lines 8 and 9 and substitute:

“(1) fees for certificates of authority:

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

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

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

(Over)

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

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

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

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

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

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

(v) reinstatement of certificate of authority \$500

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

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

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

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

(4) fees for certificates of qualification:

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- (i) application fee \$25
- (ii) managing general agent certificate of qualification:
  - 1. fee for initial certificate \$30
  - 2. annual renewal fee \$30
- (iii) surplus lines broker certificate of qualification:
  - 1. fee for initial certificate within 1 year of renewal \$100
  - 2. fee for initial certificate over 1 year from renewal \$100
  - 3. biennial renewal fee \$200

[(5)] fees for appointments:

- (i) fee for filing notice of each initial appointment \$15
- (ii) fee for filing notice of each termination \$5]

[(6)] (5) fee for temporary insurance producer licenses and appointments \$27

[(7)] (6) fee for approval by the Commissioner of continuing education courses \$50

[(8)] (7) fees for licenses:

- (i) public adjuster license:
  - 1. fee for initial license within 1 year of renewal \$25
  - 2. fee for initial license over 1 year from renewal \$50

(Over)

3. biennial renewal fee \$50

(ii) adviser license:

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

2. fee for initial license over 1 year from renewal \$200

3. biennial renewal fee \$200

(iii) insurance producer license:

1. fee for initial license \$54

2. biennial renewal fee \$54

(iv) application fee \$25

[(9)] (8) fee for each insurance vending machine license, for each machine, every second year \$50

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

[(11)] (10) fees for form and rate filings under Title 11, Subtitles 2 and 4 and §§ 12-203, 13-110, and 14-126 of this article \$125

[(12)] (11) service of legal process fee under §§ 3-318(b), 3-319(d), and 4-107 of this article \$15”;

and in lines 28 and 32, in each instance, strike the bracket.

AMENDMENT NO. 4

On page 8, in line 1, strike the brackets; in the same line, strike “(4)”; strike in their entirety

lines 3 through 19, inclusive; in line 21, after “that” insert “, SUBJECT TO § 2-505(C)(3) OF THIS SUBTITLE,”; in line 22, after “equals” insert “60% OF”; in the same line, strike “approved”; in the same line, after “Administration’s” insert “APPROVED”; in line 23, strike “less the fees collected”; after line 25, insert:

“(e) “Health insurer assessment portion” means [45%] 40% of the assessment.

“(h) “Life insurer assessment portion” means [27.5%] 26% of the assessment.

“(l) “Property and casualty insurer assessment portion” means [27.5%] 34% of the assessment.”;

strike beginning with “EXCEPT” in line 27 down through the comma in line 28; in line 29, strike “ON A QUARTERLY BASIS”; in line 31, strike “QUARTERLY”; in line 34, strike “July 1 of” and substitute “A DATE DETERMINED BY THE COMMISSIONER”; and in line 35, strike “AND QUARTERLY THEREAFTER”.

On page 9, in lines 2 and 5, in each instance, strike “A” and substitute “THE”; in line 6, strike “July 1” and substitute “THE DUE DATE”; strike in their entirety lines 15 and 16; and strike in their entirety lines 18 through 33, inclusive.

On page 10, strike in their entirety lines 7 through 11, inclusive, and substitute:

“(3) (I) 1. SUBJECT TO SUB-SUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, IF, IN ANY FISCAL YEAR, THE AMOUNT OF REVENUE COLLECTED BY THE COMMISSIONER AND DEPOSITED INTO THE FUND EXCEEDS 110% OF THE ACTUAL APPROPRIATIONS FOR THE ADMINISTRATION, THE EXCESS AMOUNT SHALL BE CARRIED FORWARD WITHIN THE FUND.

2. THE ASSESSMENT FEE IMPOSED UNDER THIS SUBTITLE SHALL BE ADJUSTED TO MAINTAIN THE FUND AT A LEVEL THAT DOES NOT EXCEED 110% OF THE ADMINISTRATION’S APPROVED ANNUAL BUDGET.”;

and strike in their entirety lines 18 through 26, inclusive.

On pages 10 through 13, strike in their entirety the lines beginning with line 32 on page 10 through line 10 on page 13, inclusive.

On page 13, strike in their entirety lines 19 through 27, inclusive; and in line 28, strike “5.” and substitute “3.”.

On page 14, in line 5, strike “6.” and substitute “4.”.