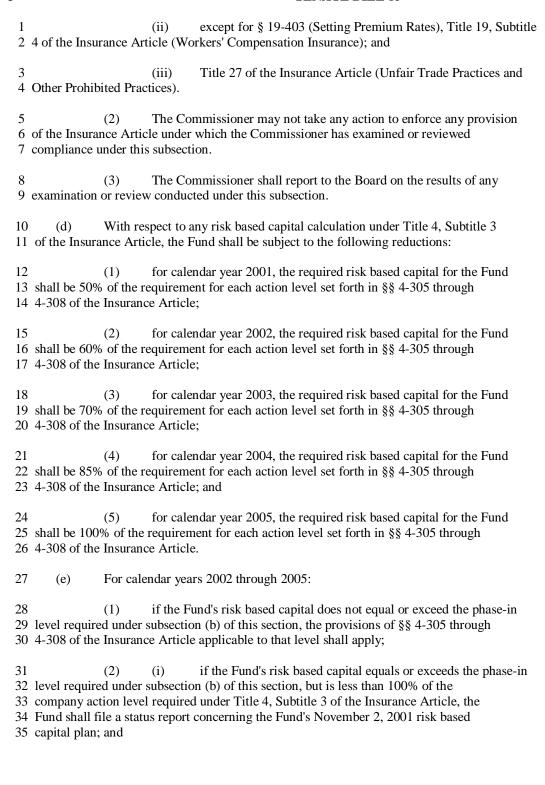
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By: Senator Astle Introduced and read first time: January 22, 2003 Assigned to: Finance		
CHAPTER		
1 AN ACT concerning		
2 Injured Workers' Insurance Fund - Risk Based Capital - Exemption from Excessive Premium Growth Charge		
FOR the purpose of exempting the Injured Workers' Insurance Fund from the excessive premium growth charge or other penalty associated with premium growth in any risk based capital calculation; providing for the termination of a certain exemption; providing for a delayed effective date for certain provisions of this Act; and generally relating to the Injured Workers' Insurance Fund.		
9 BY repealing and reenacting, with amendments, 10 Article - Labor and Employment 11 Section 10-125 12 Annotated Code of Maryland 13 (1999 Replacement Volume and 2002 Supplement)		
14 BY repealing 15 Article - Labor and Employment 16 Section 10-125(f) 17 Annotated Code of Maryland 18 (1999 Replacement Volume and 2002 Supplement) 19 (As enacted by Section 1 of this Act)		
20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 21 MARYLAND, That the Laws of Maryland read as follows:		

1 **Article - Labor and Employment** 2 10-125. 3 (a) Except as provided in subsection (b) of this section, the Fund shall be: examined by the Commissioner in accordance with §§ 2-205 and 5 2-207 through 2-209 of the Insurance Article; and subject to the following provisions of the Insurance Article: 6 (2) 7 Title 4, Subtitle 3 (Risk Based Capital Standards for Insurers) (i) 8 as provided in subsection (d) of this section; 9 (ii) Title 5, Subtitles 1, 2, 4, and 9 (Assets and Liabilities, Reserves, 10 Valuation of Assets and Reinsurance); 11 (iii) Title 9 (Impaired Entities); and 12 §§ 3-124 (Bulk Reinsurance - Stock Insurers), 4-115 (Home (iv) 13 Office; Location of Accounting Records and Assets), 4-116 (Annual and Interim 14 Statements; Audited Financial Reports), and 4-118 (Qualified Independent Certified 15 Public Accountants). 16 (b) (1) The Commissioner may not take any action to enforce any provision 17 of the Insurance Article to which the Fund is subject under subsection (a) of this 18 section except: 19 the Commissioner may issue an order under Title 9 (Impaired (i) 20 Entities) of the Insurance Article; and 21 the Commissioner may take action authorized under §§ 4 -305, (ii) 22 4-306, 4-307, and 4-308 of the Insurance Article relating to risk based capital 23 standards for insurers. 24 (2)Any order issued under this subsection: 25 (i) may not include a requirement that the Fund increase rates; 26 and 27 (ii) shall be subject to Title 2, Subtitle 2, of the Insurance Article. 28 (3) The Commissioner shall report to the Board on the results of any examination conducted under subsection (a)(1) of this section. 30 The Commissioner may examine or review the Fund for compliance (c) (1) 31 with: Title 12, Subtitle 1 of the Insurance Article (Policy Forms and 32 (i) 33 Provisions);

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	(ii) the status report shall state whether the annual results meet or exceed the results projected in the risk based capital plan and shall describe any appropriate modification or adjustment to the plan; and
	(3) if the Fund's risk based capital equals or exceeds 100% of the company action level required under Title 4, Subtitle 3 of the Insurance Article, the Fund may not be required to file a risk based capital plan for that year.
9 10	(f) The Fund [may exclude] IS NOT SUBJECT TO THE EXCESSIVE PREMIUM GROWTH CHARGE OR ANY OTHER PENALTY ASSOCIATED WITH premium growth [associated with the residual market business] in any risk based capital calculation [if the Insurance Commissioner approves the definition of residual business used by the Fund].
12 13	SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:
14	Article - Labor and Employment
15	<u>10-125.</u>
16 17	[(f) The Fund is not subject to the excessive premium growth charge or any other penalty associated with premium growth in any risk based capital calculation.]
18 19	SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect January 1, 2005.

SECTION 2. 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect October 1, 2003.