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By: **Delegate D. Davis**

Introduced and read first time: March 7, 2005

Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Industry Automobile Insurance Association - Board of Directors -**  
3 **Composition**

4 FOR the purpose of altering certain provisions relating to the nomination and  
5 qualifications of the Board of Directors of the Industry Automobile Insurance  
6 Association; and generally relating to the Board of Directors of the Industry  
7 Automobile Insurance Association.

8 BY repealing and reenacting, with amendments,  
9 Article - Insurance  
10 Section 20-403  
11 Annotated Code of Maryland  
12 (2002 Replacement Volume and 2004 Supplement)

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

15 **Article - Insurance**

16 20-403.

17 (a) There is a Board of Directors to administer the Association.

18 (b) (1) The Board of Directors consists of nine members elected by  
19 Association members.

20 (2) Of the nine members of the Board of Directors:

21 (i) two shall be nominated by the American Insurance Association;

22 (ii) [two shall be nominated by the American Mutual Insurance  
23 Alliance;

24 (iii) two shall be nominated by the [National Association of  
25 Independent Insurers] PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA;

1                    [(iv)]    (III)    one shall be associated with a domestic insurer that is not  
2 affiliated with a group listed in [items] ITEM (i) [through (iii)] OR (II) of this  
3 paragraph; [and]

4                    [(v)]    (IV)    two may not be affiliated with a member company of a  
5 group listed in [items] ITEM (i) [through (iii)] OR (II) of this paragraph or with a  
6 domestic insurer that is otherwise represented on the Board of Directors; AND

7                    (V)     TWO SHALL BE NOMINATED BY THE MEMBERS OF THE BOARD  
8 OF DIRECTORS SELECTED UNDER ITEMS (I) THROUGH (IV) OF THIS PARAGRAPH.

9                    (3)     The term of a member of the Board of Directors is 1 year.

10                  (4)     If a group listed in paragraph (2)(i) through (iii) of this subsection  
11 fails to submit the name of a nominee at least 10 days before the election, the  
12 requirement that two directors be from among nominees of that group need not be  
13 met for that year.

14                  SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
15 effect October 1, 2005.