
By: **Delegate D. Davis**

Introduced and read first time: March 7, 2005

Assigned to: Rules and Executive Nominations

Re-referred to: Economic Matters, March 14, 2005

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 24, 2005

CHAPTER _____

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:

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

2 (ii) [two shall be nominated by the American Mutual Insurance
3 Alliance;

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

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

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

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

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

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

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