

HOUSE BILL 666

C3

8lr1090

By: **Delegate Reznik**

Introduced and read first time: January 31, 2018

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Associations – Definitions**

3 FOR the purpose of altering the definitions of “association” and “bona fide association”, as
4 the definitions apply to certain provisions of law regarding health insurance, to
5 include certain associations formed and maintained for the purpose of obtaining
6 insurance; and generally relating to health insurance and associations.

7 BY repealing and reenacting, without amendments,

8 Article – Insurance

9 Section 15–1301(a) and 15–1401(a)

10 Annotated Code of Maryland

11 (2017 Replacement Volume)

12 BY repealing and reenacting, with amendments,

13 Article – Insurance

14 Section 15–1301(c) and 15–1401(b)

15 Annotated Code of Maryland

16 (2017 Replacement Volume)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

18 That the Laws of Maryland read as follows:

19 **Article – Insurance**

20 15–1301.

21 (a) In this subtitle the following words have the meanings indicated.

22 (c) “Association” or “bona fide association” means an association that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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1 (1) **(I)** **1.** has been actively in existence for at least 5 years; **AND**

2 **[(2)]** **2.** has been formed and maintained in good faith for purposes
3 other than obtaining insurance and does not condition membership on the purchase of
4 association–sponsored insurance; **OR**

5 **(II)** **HAS BEEN FORMED AND MAINTAINED FOR THE PURPOSE OF**
6 **OBTAINING INSURANCE;**

7 **[(3)] (2)** does not condition membership in the association on any health
8 status–related factor relating to an individual, and states so clearly in all membership and
9 application materials;

10 **[(4)] (3)** makes health insurance coverage offered through the association
11 available to all members regardless of any health status–related factor relating to the
12 members or individuals eligible for coverage and states so clearly in all membership and
13 application materials;

14 **[(5)] (4)** does not make health insurance coverage offered through the
15 association available other than in connection with membership in the association, and
16 states so clearly in all marketing and application materials; and

17 **[(6)] (5)** provides and annually updates information necessary for the
18 Commissioner to determine whether or not the association meets the definition of bona fide
19 association before qualifying as an association under this subtitle.

20 15–1401.

21 (a) In this subtitle the following words have the meanings indicated.

22 (b) “Association” or “bona fide association” means, with respect to health
23 insurance coverage offered in this State, an association that:

24 (1) **(I)** **1.** has been actively in existence for at least 5 years; **AND**

25 **[(2)]** **2.** has been formed and maintained in good faith for purposes
26 other than obtaining insurance and does not condition membership on the purchase of
27 association–sponsored insurance; **OR**

28 **(II)** **HAS BEEN FORMED AND MAINTAINED FOR THE PURPOSE OF**
29 **OBTAINING INSURANCE;**

30 **[(3)] (2)** does not condition membership in the association on any health
31 status–related factor relating to an individual, and states so clearly in all membership and
32 application materials;

1 ~~[(4)] (3)~~ makes health insurance coverage offered through the association
2 available to all members regardless of any health status–related factor relating to the
3 members or individuals eligible for coverage through a member and states so clearly in all
4 membership and application materials;

5 ~~[(5)] (4)~~ does not make health insurance coverage offered through the
6 association available other than in connection with membership in the association and
7 states so clearly in all marketing and application materials; and

8 ~~[(6)] (5)~~ provides and annually updates information necessary for the
9 Commissioner to determine whether or not the association meets the definition of bona fide
10 association before qualifying as an association under this subtitle.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2018.