C4

9lr2153 CF SB 532

By: Delegates Crosby, Branch, Bromwell, Brooks, Charles, D.E. Davis, Fennell, Impallaria, Ivey, Johnson, Lisanti, Mautz, Miller, Qi, and Valderrama

Introduced and read first time: February 4, 2019

Assigned to: Economic Matters

	A BILL ENTITLED
1	AN ACT concerning
2	Insurance - Formation of Domestic Insurers - Number of Directors
3 4 5	FOR the purpose of reducing the minimum number of members that a certain type of domestic insurance company is required to have on its board of directors; and generally relating to the formation of a domestic insurance company.
6 7 8 9 10	BY repealing and reenacting, with amendments, Article – Insurance Section 3–103 Annotated Code of Maryland (2017 Replacement Volume and 2018 Supplement)
11 12	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
13	Article - Insurance
14	3–103.
15 16	(a) A domestic insurer may be formed for insurance purposes under Title 2 of the Corporations and Associations Article.
17 18	(b) A domestic insurer may be formed either as a mutual insurer or stock insurer, as stated in its articles of incorporation.
19 20	(c) (1) Each policyholder of a domestic mutual insurer, other than a holder of a reinsurance contract, is a member of the mutual insurer, with each right and obligation

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

Each policy shall state the provisions of paragraph (1) of this

21

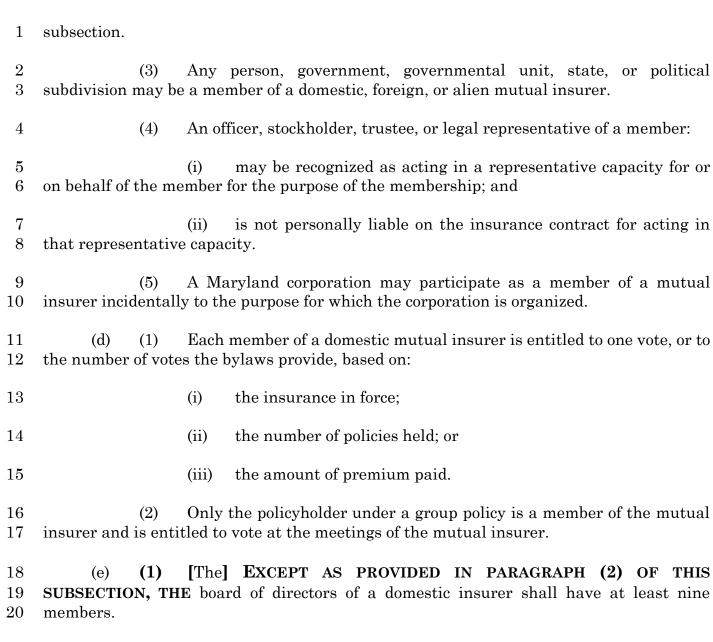
22

of membership.

(2)

26

October 1, 2019.



- 21 (2) THE BOARD OF DIRECTORS OF A DOMESTIC FINANCIAL 22 GUARANTY INSURANCE COMPANY THAT IS PROHIBITED FROM ISSUING NEW 23 POLICIES OF FINANCIAL GUARANTY INSURANCE SHALL HAVE AT LEAST FIVE 24 MEMBERS.
- 25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect