

SENATE BILL 543

C3

1r0948
CF 1r0950

By: **Senator Eckardt**

Introduced and read first time: January 26, 2021

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Health Care Sharing Ministries – Exemption**

3 FOR the purpose of exempting from State insurance laws health care sharing ministries as
4 defined in a certain provision of federal law; and generally relating to health care
5 sharing ministries and the applicability of insurance laws in the State.

6 BY repealing and reenacting, with amendments,
7 Article – Insurance
8 Section 1–202(a)(4) and (5)
9 Annotated Code of Maryland
10 (2017 Replacement Volume and 2020 Supplement)

11 BY adding to
12 Article – Insurance
13 Section 1–202(a)(6)
14 Annotated Code of Maryland
15 (2017 Replacement Volume and 2020 Supplement)

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

18 **Article – Insurance**

19 1–202.

20 (a) This article does not apply to:

21 (4) a voluntary noncontractual religious publication arrangement that:

22 (i) is a nonprofit religious organization for which the State may not
23 be held in any way liable or responsible for any of its debts, claims, obligations, or liabilities;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) publishes a newsletter whose subscribers are limited to members
2 of the same denomination or religion;

3 (iii) acts as an organizational clearinghouse for information between
4 subscribers who have medical costs and subscribers who choose to assist with those costs;

5 (iv) matches subscribers with a willingness to pay and subscribers
6 with present medical costs;

7 (v) coordinates payments directly from one subscriber to another;

8 (vi) suggests amounts to give that are voluntary among the
9 subscribers, with no assumption of risk or promise to pay either among the subscribers or
10 between the subscribers and the organization;

11 (vii) does not use a compensated insurance producer, representative,
12 or other person to solicit or enroll subscribers;

13 (viii) does not make a direct or indirect representation that it is
14 operating in a financially sound manner or that it has had a successful history of meeting
15 subscribers' medical costs;

16 (ix) provides to each subscriber a written monthly statement listing
17 both the total dollar amount of qualified medical costs submitted for publication and the
18 amount actually published and assigned for payment;

19 (x) does not use funds paid by subscribers for medical costs to cover
20 administrative costs;

21 (xi) submits a registration statement, including a copy of any
22 application forms and guidelines, promotional, or informational material distributed by or
23 on behalf of the arrangement, to the Secretary of State in accordance with the provisions of
24 Title 6, Subtitle 4 of the Business Regulation Article; and

25 (xii) provides the following verbatim written disclaimer as a separate
26 cover sheet for any and all documents distributed by or on behalf of the exempt
27 arrangement, including applications, guidelines, promotional, or informational material
28 and all periodic publications:

29 "Notice

30 This publication is not issued by an insurance company nor is it offered through an
31 insurance company. It does not guarantee or promise that your medical bills will be
32 published or assigned to others for payment. No other subscriber will be compelled to
33 contribute toward the cost of your medical bills. Therefore, this publication should never be
34 considered a substitute for an insurance policy. This activity is not regulated by the State

1 Insurance Administration, and your liabilities are not covered by the Life and Health
2 Guaranty Fund. Whether or not you receive any payments for medical expenses and
3 whether or not this entity continues to operate, you are always liable for any unpaid bills.”;
4 [or]

5 (5) except as provided in subsection (b) of this section, a self-funded
6 student health plan operated by an independent institution of higher education, as defined
7 in § 10–101 of the Education Article, that provides health care services to its students and
8 their dependents if the institution files on July 1 each year, for the student health plan that
9 will be offered to students for the upcoming school year, a report with the Commissioner
10 certifying under penalties of perjury that:

11 (i) the student health plan satisfies any applicable minimum
12 essential coverage standards under federal law;

13 (ii) the institution pledges assets sufficient to support the liabilities
14 of the student health plan;

15 (iii) the institution demonstrates an ability to operate the student
16 health plan in a sound manner by having operated an employer-sponsored plan, as defined
17 in § 15–1401 of this article, in the prior calendar year with at least 10,000 enrollees,
18 including employees and their dependents;

19 (iv) the institution maintains at least an AA bond rating by one of
20 the major credit rating agencies; and

21 (v) the institution operates the student health plan in compliance
22 with Title 15, Subtitles 10A and 10D of this article; **OR**

23 **(6) A HEALTH CARE SHARING MINISTRY, AS DEFINED IN 26 U.S.C. §**
24 **5000A(D)(2)(B)(II).**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
26 1, 2021.