

**SB0890/133420/1**

BY: Finance Committee

AMENDMENTS TO SENATE BILL 890  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “**Exemption for**”; in line 3, strike “**Hospitals and**”; in the same line, strike “**Care**”; in line 4, after “exempting” insert “certain”; in line 5, strike “hospitals and”; in the same line, strike “care”; in line 7, after “insurers;” insert “subjecting premiums charged by certain captive insurers for reinsurance to cover any portion of the liability of a nonprofit health system procured to a certain premium receipts tax;”; in lines 10 and 11, strike “unauthorized insurers and certain insureds” and substitute “persons”; and after line 17, insert:

“BY adding to

Article – Insurance

Section 4–211.2

Annotated Code of Maryland

(2017 Replacement Volume and 2025 Supplement)”.

AMENDMENT NO. 2

On page 2, strike beginning with “BY” in line 3 down through “STATE” in line 7 and substitute “**SUBJECT TO THE PREMIUM RECEIPTS TAX UNDER § 4–211.2 OF THIS SUBTITLE**”.

On page 3, strike beginning with “BY” in line 8 down through “STATE” in line 12 and substitute “**SUBJECT TO THE PREMIUM RECEIPTS TAX UNDER § 4–211.2 OF THIS SUBTITLE**”; and after line 31, insert:

“**4–211.2.**

**(A) IN THIS SECTION, “NONPROFIT HEALTH SYSTEM” MEANS:**

(1) A NONPROFIT HOSPITAL AND ANY ENTITY AFFILIATED WITH THE HOSPITAL THROUGH OWNERSHIP, GOVERNANCE, OR MEMBERSHIP; AND

(2) A PARENT CORPORATION OF A NONPROFIT HOSPITAL AND ANY ENTITY AFFILIATED WITH THE PARENT CORPORATION THROUGH OWNERSHIP, GOVERNANCE, OR MEMBERSHIP.

(B) THIS SECTION APPLIES ONLY TO PREMIUMS ON LAWFULLY PROCURED CAPTIVE INSURANCE BY A NONPROFIT HEALTH SYSTEM LOCATED IN THE STATE INVOLVING A CAPTIVE INSURER LOCATED OUTSIDE THE STATE.

(C) IF A CAPTIVE INSURER PROCURES REINSURANCE TO COVER ANY PORTION OF THE LIABILITY OF THE NONPROFIT HEALTH SYSTEM, THE CAPTIVE INSURER SHALL PAY TO THE COMMISSIONER, BEFORE MARCH 1 OF THE NEXT CALENDAR YEAR, A PREMIUM RECEIPTS TAX OF 3% OF GROSS PREMIUMS CHARGED FOR THE REINSURANCE.

(D) IF A CAPTIVE INSURER FAILS TO PAY THE TAX UNDER SUBSECTION (C) OF THIS SECTION, THE NONPROFIT HEALTH SYSTEM SHALL PAY THE TAX.

(E) IF THE TAX UNDER THIS SECTION IS NOT TIMELY PAID, THE AMOUNT OF THE TAX DUE SHALL BE INCREASED BY A PENALTY OF:

(1) 25% OF THE TAX DUE; AND

(2) AN AMOUNT COMPUTED AT THE RATE OF 1% PER MONTH OR ANY PART OF A MONTH AFTER THE DATE THE PAYMENT WAS DUE TO THE DATE THE PAYMENT IS MADE.”.

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On page 4, strike beginning with “an” in line 5 down through “4-211(a)(1)” in line 7 and substitute “a person subject to the premium receipts tax under § 4-211.2”.