

(b) The board members who serve on the board of a corporation subject to the provisions of § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act, and who represent a corporation that is not organized under the laws of the State shall be removed and replaced on or before March 31, 2006.

SECTION 6. AND BE IT FURTHER ENACTED, That, subject to the approval of the Maryland Insurance Commissioner, a nominating committee established under § 14-115(d)(6)(iv) of the Insurance Article, as enacted by Section 1 of this Act, shall develop a plan to stagger the terms of the voting members of a board of a corporation subject to § 14-115(d) of the Insurance Article, as enacted by this Act.

SECTION 7. AND BE IT FURTHER ENACTED, That, for a period of 5 years after the effective date of this Act:

(1) a person may not file an application for the acquisition of a nonprofit health service plan subject to the provisions of § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act, and a nonprofit health service plan subject to the provisions of § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act, may not be acquired, under Title 6.5 of the State Government Article; and

(2) the Maryland Insurance Commissioner may not approve an application for the acquisition of a nonprofit health service plan subject to the provisions of § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act.

SECTION 8. AND BE IT FURTHER ENACTED, That:

(a) The provisions of § 14-139(c) of the Insurance Article, as enacted by Section 1 of this Act, shall apply to a compensation agreement that is in effect on the effective date of this Act and entered into or revised on or after January 20, 1995 (the date on which the Maryland Insurance Commissioner disapproved a plan of reorganization from Blue Cross and Blue Shield of Maryland, Inc. that would have created a new for profit holding company), including an agreement for termination, severance, performance bonuses, or supplemental executive retirement benefits, between a corporation organized under the laws of this State and subject to § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act, and an officer, director, trustee, or employee of the corporation.

(b) In applying the provisions of § 14-139(c) of the Insurance Article, as enacted by Section 1 of this Act, to a compensation agreement under subsection (a) of this section, the Maryland Insurance Commissioner shall only examine any increase in compensation that occurred after January 20, 1995.

SECTION 9. AND BE IT FURTHER ENACTED, That a member of the board of directors of a corporation organized under the laws of this State and subject to § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act, who is a member of the board of directors on the effective date of this Act is prohibited from serving on the board of directors of the corporation after removal from the board under the provisions of Sections 4 and 5 of this Act.

SECTION 10. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly to encourage a nonprofit health service plan that is subject to §