

House Bill No. 1022

AN ACT concerning

Insurance – Fraternal Benefit Societies

FOR the purpose of altering the circumstances under which a fraternal benefit society is deemed to have a representative form of government; ~~altering the purposes of a society;~~ increasing the amount of a certain bond a society is required to file with the Maryland Insurance Commissioner; increasing the amount of certain premiums a society must collect; providing that an amendment to the laws of a society is deemed approved if not disapproved by the Commissioner within a certain period of time; authorizing a society to indemnify certain individuals for certain expenses and liabilities under certain circumstances; authorizing a society to purchase and maintain insurance on behalf of certain individuals; providing an immunity from damages for certain individuals who serve a society without compensation; requiring a society to specify in its laws or rules the rights and privileges of each membership class; providing that membership rights in a society are personal; authorizing a society to provide for grievance procedures for members in its laws or rules; altering the types of benefits for which a society may provide payment; altering the manner of calculating certain benefits under certain certificates; altering the manner in which certain benefit certificates must be approved; clarifying that a society may not provide benefits through group insurance coverages; altering the standard provision requirements, and optional and prohibited provisions, for certain certificates; specifying permitted and required provisions in certificates issued on the lives of individuals below a society's minimum age for adult membership; authorizing a society to carry out its purposes through subsidiaries and affiliates; authorizing a society to reinsure the risks of another society under certain circumstances; authorizing a society to establish and operate separate accounts and issue contracts on a variable basis under certain circumstances; ~~providing that certain foreign or alien societies meet certain requirements for investment of funds if the societies invest their funds in accordance with certain laws;~~ providing certain penalties for a society's failure to file a certain annual statement; altering certain requirements for valuing certain certificates of a society; altering certain provisions relating to impairment of reserves that must be included in the laws of a society; altering a certain exception to the requirement that a person must obtain a certificate of qualification to act as a fraternal benefit agent in this State; ~~prohibiting recognition of an application or petition for injunction against a domestic, foreign, or alien society in a court under certain circumstances;~~ repealing certain provisions of law relating to health and disability certificates issued by a society; defining certain terms; providing for the effective date of this Act; and generally relating to fraternal benefit societies.

BY repealing and reenacting, with amendments,

Article – Insurance

Section 8-401, 8-402, ~~8-411~~, 8-412, ~~8-413~~, 8-415, 8-418 through 8-422, 8-427, 8-430, 8-432, 8-433, 8-437, 8-441 through 8-444, ~~8-446~~, ~~8-449~~, and ~~8-464~~ and 8-449