

SENATE BILL 611

C4, C3

0lr2554

By: **Senator Della**

Introduced and read first time: February 5, 2010

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurers, Health Maintenance Organizations, and Managed Care**
3 **Organizations – Compensation Reports**

4 FOR the purpose of requiring managed care organizations to report to the Maryland
5 Insurance Commissioner on an annual basis on certain compensation of their
6 officers and executives; requiring health maintenance organizations to include
7 on an annual basis with a required rate filing made with the Commissioner a
8 report of certain compensation of their officers and executives; requiring
9 insurers that file rates with the Commissioner under prior approval rate
10 making to include on an annual basis with a required rate filing a report of
11 certain compensation of their officers and executives; requiring insurers that
12 file rates with the Commissioner under competitive rating rate making to
13 include on an annual basis with a required rate filing a report of certain
14 compensation of their officers and executives; and generally relating to reports
15 of compensation of officers and executives of insurers, health maintenance
16 organizations, and managed care organizations.

17 BY adding to

18 Article – Health – General
19 Section 15–102.8 and 19–713(a–1)
20 Annotated Code of Maryland
21 (2009 Replacement Volume)

22 BY repealing and reenacting, without amendments,

23 Article – Health – General
24 Section 19–713(a)
25 Annotated Code of Maryland
26 (2009 Replacement Volume)

27 BY repealing and reenacting, without amendments,

28 Article – Insurance

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 11–206(a) and 11–307(a)
2 Annotated Code of Maryland
3 (2003 Replacement Volume and 2009 Supplement)

4 BY adding to
5 Article – Insurance
6 Section 11–206(a–1) and 11–307(a–1)
7 Annotated Code of Maryland
8 (2003 Replacement Volume and 2009 Supplement)

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

11 **Article – Health – General**

12 **15–102.8.**

13 **ON AN ANNUAL BASIS EACH MANAGED CARE ORGANIZATION SHALL**
14 **REPORT TO THE INSURANCE COMMISSIONER ON THE COMPENSATION,**
15 **INCLUDING SALARY, BONUSES, AND PERQUISITES, OF EACH OFFICER AND EACH**
16 **EXECUTIVE OF THE MANAGED CARE ORGANIZATION.**

17 19–713.

18 (a) Each health maintenance organization shall file with the Commissioner
19 and pay the applicable filing fee as provided in § 2–112 of the Insurance Article, before
20 they become effective:

21 (1) All rates that the health maintenance organization charges
22 subscribers or groups of subscribers; and

23 (2) The form and content of each contract between the health
24 maintenance organization and its subscribers or groups of subscribers.

25 **(A–1) ON AN ANNUAL BASIS EACH HEALTH MAINTENANCE ORGANIZATION**
26 **SHALL INCLUDE, WITH A REQUIRED RATE FILING MADE WITH THE**
27 **COMMISSIONER, A REPORT OF THE COMPENSATION, INCLUDING SALARY,**
28 **BONUSES, AND PERQUISITES, OF EACH OFFICER AND EACH EXECUTIVE OF THE**
29 **HEALTH MAINTENANCE ORGANIZATION.**

30 **Article – Insurance**

31 11–206.

32 (a) (1) Except as otherwise provided in this section, each insurer shall file
33 with the Commissioner all rates, supplementary rate information, policy forms, and

1 endorsements and all modifications of rates, supplementary rate information, policy
2 forms, and endorsements that the insurer proposes to use.

3 (2) Each filing shall state its proposed effective date and shall indicate
4 the character and extent of the coverage contemplated.

5 **(A-1) ON AN ANNUAL BASIS EACH INSURER SHALL INCLUDE, WITH A**
6 **REQUIRED RATE FILING MADE WITH THE COMMISSIONER, A REPORT OF THE**
7 **COMPENSATION, INCLUDING SALARY, BONUSES, AND PERQUISITES, OF EACH**
8 **OFFICER AND EACH EXECUTIVE OF THE INSURER.**

9 11-307.

10 (a) (1) Except as otherwise provided in this subsection, each authorized
11 insurer and each rating organization that has been designated by an insurer for the
12 filing of rates under subsection (b) of this section shall file with the Commissioner all
13 rates and supplementary rate information and all changes and amendments of rates
14 and supplementary information made by it for use in the State on or before the date
15 they become effective.

16 (2) Rates and supplementary rate information need not be filed for
17 inland marine risks that by general custom are not written according to manual rules
18 or rating plans.

19 **(A-1) ON AN ANNUAL BASIS EACH INSURER SHALL INCLUDE, WITH A**
20 **REQUIRED RATE FILING MADE WITH THE COMMISSIONER, A REPORT OF THE**
21 **COMPENSATION, INCLUDING SALARY, BONUSES, AND PERQUISITES, OF EACH**
22 **OFFICER AND EACH EXECUTIVE OF THE INSURER.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 2010.