

# HOUSE BILL 457

C4, C3

1lr1028  
CF SB 149

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By: **Delegate Dumais**

Introduced and read first time: January 15, 2021

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 11, 2021

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Insurance – Application of Premium Tax – Continued Exclusion of Maryland**  
3 **Automobile Insurance Fund**

4 FOR the purpose of repealing a certain termination provision for the purpose of continuing  
5 the exclusion of the Maryland Automobile Insurance Fund from the list of insurance  
6 companies and other persons that are subject to a certain premium tax; making  
7 conforming changes; and generally relating to taxation of insurance premiums.

8 BY repealing and reenacting, without amendments,  
9 Article – Insurance  
10 Section 6–101(a)  
11 Annotated Code of Maryland  
12 (2017 Replacement Volume and 2020 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Insurance  
15 Section 6–101(b)  
16 Annotated Code of Maryland  
17 (2017 Replacement Volume and 2020 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Chapter 509 of the Acts of the General Assembly of 2017  
20 Section 4

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Insurance**

4 6–101.

5 (a) The following persons are subject to taxation under this subtitle:

6 (1) a person engaged as principal in the business of writing insurance  
7 contracts, surety contracts, guaranty contracts, or annuity contracts;

8 (2) a managed care organization authorized by Title 15, Subtitle 1 of the  
9 Health – General Article;

10 (3) a for–profit health maintenance organization authorized by Title 19,  
11 Subtitle 7 of the Health – General Article;

12 (4) an attorney in fact for a reciprocal insurer; and

13 (5) a credit indemnity company.

14 (b) The following persons are not subject to taxation under this subtitle:

15 (1) a nonprofit health service plan corporation that meets the requirements  
16 established under §§ 14–106 and 14–107 of this article;

17 (2) a fraternal benefit society;

18 (3) a surplus lines broker, who is subject to taxation in accordance with  
19 Title 3, Subtitle 3 of this article;

20 (4) an unauthorized insurer, who is subject to taxation in accordance with  
21 Title 4, Subtitle 2 of this article; [and]

22 (5) a nonprofit health maintenance organization authorized by Title 19,  
23 Subtitle 7 of the Health – General Article that is exempt from taxation under § 501(c)(3) of  
24 the Internal Revenue Code; AND

25 (6) THE MARYLAND AUTOMOBILE INSURANCE FUND.

26 **Chapter 509 of the Acts of 2017**

27 SECTION 4. AND BE IT FURTHER ENACTED, That Sections 1 and 3 of this Act  
28 shall take effect January 1, 2018. [Sections 1 and] SECTION 3 of this Act shall remain  
29 effective for a period of 4 years and 6 months and, at the end of June 30, 2022, with no

1 further action required by the General Assembly, [Sections 1 and] SECTION 3 of this Act  
2 shall be abrogated and of no further force and effect.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 October 1, 2021.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.