

SUBSCRIBER UNDER A SUBROGATION PROVISION UNLESS THE SUBSCRIBER RECOVERS FOR MEDICAL EXPENSES IN A CAUSE OF ACTION.

~~(E) A CONTRACT BETWEEN A HEALTH MAINTENANCE ORGANIZATION AND ITS SUBSCRIBERS OR A GROUP OF SUBSCRIBERS MAY CONTAIN A PROVISION OR PROVISIONS ALLOWING A HEALTH MAINTENANCE ORGANIZATION TO RECOVER ANY PAYMENTS MADE TO THE SUBSCRIBER UNDER A PERSONAL INJURY PROTECTION POLICY TO THE EXTENT THAT THE PAYMENTS ARE BASED ON SERVICES PROVIDED OR PAID FOR BY THE HEALTH MAINTENANCE ORGANIZATION.~~

**Article - Insurance**

15-1205.

(d) (1) A carrier shall base its rating methods and practices on commonly accepted actuarial assumptions and sound actuarial principles.

(2) A CARRIER THAT IS A HEALTH MAINTENANCE ORGANIZATION AND THAT INCLUDES A SUBROGATION PROVISION IN ITS CONTRACT AS AUTHORIZED UNDER § 19-713.1(D) OF THE HEALTH - GENERAL ARTICLE SHALL:

(I) USE IN ITS RATING METHODOLOGY AN ADJUSTMENT THAT REFLECTS THE SUBROGATION; AND

(II) IDENTIFY IN ITS RATE FILING WITH THE ADMINISTRATION, AND ANNUALLY IN A FORM APPROVED BY THE COMMISSIONER, ALL AMOUNTS RECOVERED THROUGH SUBROGATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to any case pending or filed on or after the effective date of this Act, but may not be applied to any case for which a final judgment has been rendered and for which appeals have been exhausted prior to the effective date of this Act, or to any matter in which a final written liability insurance settlement has been reached and payment made between a liability insurer and a claimant.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall apply to all subrogation recoveries by health maintenance organizations recovered on or after March 10, 1997 January 1, 1976.

SECTION 4. AND BE IT FURTHER ENACTED, That if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act which can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION 4. 5. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2000.

Approved May 18, 2000.