

(2) IN DETERMINING WHETHER A ~~HEALTH CARE NONPROFIT HEALTH~~ ENTITY HAS EXERCISED DUE DILIGENCE AS REQUIRED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION, THE APPROPRIATE REGULATING ENTITY MAY NOT DETERMINE THAT DUE DILIGENCE WAS EXERCISED UNLESS THE ~~HEALTH CARE NONPROFIT HEALTH~~ ENTITY CONSIDERED THE RISKS OF AN ACQUISITION, INCLUDING WHETHER AN ACQUISITION:

- (I) WOULD RESULT IN DISECONOMIES OF SCALE; OR
- (II) WOULD VIOLATE FEDERAL OR STATE ANTITRUST LAWS.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) notwithstanding the term limitations established under § 14-115(e)(6) of the Insurance Article, an individual who is a Class I director of a board of a domestic nonprofit health service plan that is subject to § 14-115 of the Insurance Article and who was appointed to the board prior to December 31, 2003 and subsequently reappointed to the board for a 1-year term on January 1, 2004 as the representative of a foreign nonprofit health service plan of which the domestic nonprofit health service plan is the sole member, may serve on the board of the domestic nonprofit health service plan for an additional 1-year term until December 31, 2005;

(b) any replacement of a Class I director described in subsection (a) of this section, and any other individual who is elected to the board of a domestic nonprofit health service plan that is subject to § 14-115 of the Insurance Article, shall be subject to the term limitations established under § 14-115(e)(6) of the Insurance Article; and

(c) the provisions of subsection (a) of this section shall be limited to and affect no more than two of the Class I directors described in subsection (a) of this section.

SECTION 2-3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2004.

Approved May 11, 2004.

---

**CHAPTER 258**

**(Senate Bill 242)**

AN ACT concerning

**Criminal Procedure - Statute of Limitations - Prosecutions for Criminal Violation of Insurance Law**

FOR the purpose of extending the period within which a prosecution of a misdemeanor offense under the Insurance Article of the Annotated Code may be instituted to a certain number of years following the commission of the offense; establishing a certain exception to a limitation on the prosecution of a certain fine or penalty under certain circumstances; and generally relating to limitations on the period of time for instituting prosecutions for certain offenses.