

WILLIAM DONALD SCHAEFER, Governor

the Society and its subsidiaries may not be considered to be a debt of the State or a pledge of its credit.

SECTION 2. AND BE IT FURTHER ENACTED, That Medical Mutual Liability Insurance Society of Maryland shall file interim reports with the State Insurance Commissioner of Maryland in accordance with Article 48A, § 58(2) of the Code and an annual report with the Legislative Policy Committee of the General Assembly on November 1 of each year regarding subsidiary operations in states other than Maryland describing the financial impact of these operations including all rate filing information and certification of reserves.

SECTION 3. AND BE IT FURTHER ENACTED, That any application filed by a subsidiary of the Society for admission in a state other than Maryland, shall be simultaneously filed with the Commissioner, together with a 3-year business plan demonstrating that sufficient capital, surplus, and reserve will be generated in the state in which the application is filed to preserve the financial integrity and stability of the Society. The Commissioner shall have 30 days in which to review the application and to order its amendment or withdrawal. The application shall be deemed approved unless disapproved by the Commissioner within 30 days after the application is filed.

SECTION 4. AND BE IT FURTHER ENACTED, That for 3 years following admission to a state other than Maryland, a subsidiary of the Society shall file interim reports with the Commissioner in accordance with Article 48A, § 58(2) of the Code comparing actual operations in that state to the 3-year business plan submitted to the Commissioner with the application for admission filed in that state.

SECTION 5. AND BE IT FURTHER ENACTED, That this Act may not be construed to allow an insurance subsidiary of the Society to discount reserves without following the requirements of Article 48A, § 80 of the Code.

SECTION 6. AND BE IT FURTHER ENACTED, That the Society may not directly or indirectly capitalize, transfer moneys to, or purchase stock in any insurance subsidiary beyond the \$3,250,000 used prior to December 31, 1989 to capitalize the insurance subsidiaries by the Society, without the prior approval of the Society's Board of Directors, including the prior approval of at least 80% of the physician members of the Society's Board of Directors.

SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1990.

May 29, 1990

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House
Annapolis, Maryland 21401