

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1973.

Approved May 7, 1973.

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CHAPTER 350

(House Bill 1483)

AN ACT to repeal and re-enact, with amendments, Sections 354(a) and 359 of Article 48A of the Annotated Code of Maryland (1972 Replacement Volume and 1972 Supplement), title "Insurance Code," subtitle "20. Nonprofit Health Service Plans," to remove the limitation on the application of this subtitle to certain corporations organized under the provisions of Article 23 of the Code of Public Laws of Maryland and to allow investment of funds in real estate for use as medical facilities and medical equipment provided the investment doesn't exceed ~~sixty-five per cent (65%)~~ fifty per cent (50%) of assets.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Sections 354(a) and 359 of Article 48A of the Annotated Code of Maryland (1972 Replacement Volume and 1972 Supplement), title "Insurance Code," subtitle "20. Nonprofit Health Service Plans," be and they are hereby repealed and re-enacted, with amendments, to read as follows:

354.

(a) Any corporation without capital stock heretofore or hereafter organized[, under the provisions of Article 23 of the Code of Public General Laws of this State,] for the purpose of establishing, maintaining and operating a nonprofit health service plan whereby hospital, medical, chiropodial, pharmaceutical, dental or optometric care is provided by a hospital, or hospitals, a physician or physicians, a chiropodist or chiropodists, a pharmacist or pharmacists, a dentist or dentists, and/or an optometrist or optometrists, to persons who become subscribers to such plan under contracts which entitle each subscriber to certain hospital, medical, chiropodial, pharmaceutical, dental or optometric care or any of them, shall be governed and regulated by the provisions of this subtitle, and by no other law relating to insurance unless such law is referred to under this subtitle, and no law hereafter enacted shall apply to such corporations, unless they are expressly designated therein, and specifically refer to such corporations.

359.

Every corporation subject to the provisions of this subtitle may invest its funds only in securities permitted by the laws of this State for the investment of the assets of life insurers, ~~EXCEPT THAT CORPORATIONS SUBJECT TO THE PROVISIONS OF THIS SUBTITLE MAY INVEST THEIR FUNDS IN REAL ESTATE FOR USE AS MEDICAL FACILITIES AND MEDICAL EQUIPMENT TO BE USED THEREIN, PROVIDED THE TOTAL OF SUCH INVESTMENTS DOES NOT EXCEED SIXTY-FIVE PERCENT (65%) FIFTY PER CENT (50%) OF THEIR ASSETS.~~ PROVIDED HOWEVER, THAT WHENEVER IT SHALL BE DETERMINED BY THE COMMISSIONER THAT SUCH CORPORATION IS ENGAGED PRINCIPALLY IN BUSINESS OF GROUP HEALTH CARE AS OPPOSED TO THE SALE OF AN INSURANCE PRODUCT OR PLAN AS DESCRIBED BY SECTION 354 OF THIS SUBTITLE, THE