

554. RATES

IN APPLYING THE PROVISIONS OF SECTION 242 OF THE INSURANCE CODE (ARTICLE 48A) DEALING WITH RATES AND RATE FILINGS, THE COMMISSIONER SHALL PERMIT AN INITIAL PREMIUM NOT IN EXCESS OF 130% OF THE RATE THAT WOULD OTHERWISE BE APPLICABLE IF THE TERMS OF THE RATE FILING ARE SUCH THAT ANY PORTION OF THE COLLECTED PREMIUMS THAT ARE ULTIMATELY DETERMINED AS HAVING BEEN IN EXCESS OF THE SOCIETY'S COSTS SHALL BE RETURNED ON A NONDISCRIMINATORY BASIS TO THE POLICYHOLDERS OF THE SOCIETY.

555. MANAGEMENT AND ADMINISTRATION OF SOCIETY AFFAIRS

(A) IF, IN THE JUDGMENT OF THE BOARD OF DIRECTORS, THE AFFAIRS OF THE SOCIETY THEREBY MAY BE ADMINISTERED SUITABLY AND EFFICIENTLY, THE SOCIETY MAY ENTER INTO A CONTRACT, NOT TO EXCEED FIVE YEARS IN DURATION, WHEREBY THE AFFAIRS OF THE SOCIETY ARE ADMINISTERED BY A LICENSED INSURER, OR A LICENSED NONPROFIT HEALTH SERVICE PLAN, [[FOR THE MARYLAND AUTOMOBILE INSURANCE FUND,]] SUBJECT TO SUCH CONTINUING DIRECTION BY THE BOARD OF DIRECTORS AS SPECIFIED IN THE ARTICLES OF INCORPORATION, THE BYLAWS, AND THE CONTRACT.

(B) UPON THE EXECUTION OF ANY CONTRACT, THE SOCIETY SHALL PROMPTLY FILE A TRUE COPY WITH THE STATE INSURANCE COMMISSIONER. THE CONTRACT SHALL BECOME EFFECTIVE 30 DAYS FROM THE DATE OF FILING UNLESS THE COMMISSIONER, PRIOR TO THE EFFECTIVE DATE, DISAPPROVES THE CONTRACT [[AS ILLEGAL]] AS BEING CONTRARY TO LAW, PUBLIC POLICY OR UNDULY ONEROUS AND STATES THE REASONS FOR HIS FINDINGS.

SECTION 2. AND BE IT FURTHER ENACTED, That if any provisions of Section 551 of Article 48A is ruled unconstitutional, no other provision or application of this Act shall be given effect; however, if any other provisions of this Act or application 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 3. AND BE IT FURTHER ENACTED, That all laws or parts of laws, public general or public local, inconsistent with this Act, are repealed to the extent of the inconsistency.