

(4) an unauthorized insurer, who is subject to taxation in accordance with Title 4, Subtitle 2 of this article;

(5) the Maryland Health Insurance Plan established under Title 14, Subtitle 5, Part I of this article; [or]

(6) the Senior Prescription Drug Program established under Title 14, Subtitle 5, Part II of this article; OR

(7) A NONPROFIT HEALTH MAINTENANCE ORGANIZATION AUTHORIZED BY TITLE 19, SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

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(b) Premiums to be taxed include:

(1) the consideration for a surety contract, guaranty contract, or annuity contract;

(2) gross receipts received as a result of capitation payments, supplemental payments, and bonus payments, made to a managed care organization for provider services to an individual who is enrolled in a managed care organization;

(3) subscription charges or other amounts paid to a FOR-PROFIT health maintenance organization on a predetermined periodic rate basis by a person other than a person subject to the tax under this subtitle as compensation for providing health care services to members;

(4) dividends on life insurance policies that have been applied to buy additional insurance or to shorten the period during which a premium is payable; and

(5) the part of the gross receipts of a title insurer that is derived from insurance business or guaranty business.

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The tax rate is:

(1) 0% for premiums for annuities; and

(2) 2% for all other premiums, including:

(i) gross receipts received as a result of capitation payments made to a managed care organization, supplemental payments, and bonus payments; and

(ii) subscription charges or other amounts paid to a FOR-PROFIT health maintenance organization.

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(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.