

(2) [dividends] DIVIDENDS:

(I) paid or credited to policyholders[,]; or

(II) applied to purchase additional insurance or to shorten the premium paying period;

(3) returns or refunds made or credited to policyholders because of retrospective ratings or safe driver rewards; and

(4) premiums received by an insurance company under policies providing health maintenance organization benefits [to]:

(I) TO the extent of the amounts actually paid by the insurance company to a nonprofit health maintenance organization authorized under Title 19, Subtitle 7 of the Health - General Article operating solely as a health maintenance organization which is exempt from taxes under § 19-727(b) of the Health - General Article[,]; or

(II) to the extent the premiums have been paid by a health maintenance organization exempt under § 19-727(b) of the Health - General Article.

(c) (1) Gross direct premiums, or portions thereof, derived from or reasonably attributable to insurance business in this State shall be allocated to this State. [The]

(2) THE Insurance Commissioner [is hereby authorized to prescribe or permit] MAY REQUIRE OR ALLOW, by regulations, such method or methods of allocating the gross direct premiums written by insurance companies as may justly and fairly determine the portion thereof derived from or reasonably attributable to their insurance business in this State.

(d) (1) Funds accepted by a life insurer under a group contract which provides for an accumulation of funds to purchase annuities at future dates may be considered as "gross premiums written" either upon receipt or upon the actual application of such funds to the purchase of annuities. However, any interest credited to funds accumulated while under the latter alternative shall also be included in "gross premiums written," and any funds taxed upon receipt, including any interest later credited thereto, shall not be subject to taxation upon the purchase of annuities. [Each]

(2) EACH life insurer shall signify on its premium tax return covering premiums for the calendar year 1964 its election between such two alternatives. Thereafter an insurer shall not change such election without the consent of the Commissioner. [Any]