

1. In a corporation that is traded on a national exchange or over the counter on the national market system; and

2. That at the time of acquisition, were purchased at the same price and on the same terms generally available to the public.

(3) "Board" means the board of directors of a nonprofit health service plan.

[(4)](3) "Immediate family member" means a board member's:

- (i) Spouse;
- (ii) Child;
- (iii) Child's spouse;
- (iv) Parent;
- (v) Spouse's parent;
- (vi) Sibling; or
- (vii) Sibling's spouse.

[(5)](4) "Nonprofit health service plan" means a corporation incorporated under the laws of this State and operating under a certificate of authority issued by the Commissioner under this subtitle.

(b) (1) The business and affairs of a nonprofit health service plan shall be managed under the direction of a board of directors.

(2) The board shall carry out its fiduciary duties, whether as individual directors or as a whole:

- (i) In good faith;
- (ii) In a manner that is reasonably believed to be in the best interests of the corporation; and
- (iii) With the care that an ordinarily prudent person in a like position would use under similar circumstances.

(3) An officer or employee of a nonprofit health service plan or any of its affiliates or subsidiaries may not be appointed or elected to the board.

[(4) (i) Except as provided under subparagraphs (ii) and (iii) of this paragraph, a nonprofit health service plan may not contract or commence business with an entity:

1. In which a board member, a board member's immediate family member, or a board member in combination with the board member's immediate family member owns a beneficial interest; or

2. From which a board member receives compensation.