

Former Art. 48A, § 494A(d)(2)(iii)1, which provided introductory language for two definitions, is deleted because there is no longer a separate definition provision in this section.

Defined terms: "Affiliate" § 7-101

"Certificate of authority" § 1-101

"Commissioner" § 1-101

"Control" § 1-101

"Insurance" § 1-101

"Insurer" § 1-101

"Person" § 1-101

"Premium" § 1-101

7-406. PENALTY FOR FAILURE TO FILE PRE-ACQUISITION NOTIFICATION.

A PERSON REQUIRED TO FILE A PRE-ACQUISITION NOTIFICATION UNDER THIS SUBTITLE OR SUBTITLE 3 OF THIS TITLE THAT FAILS TO FILE THE NOTIFICATION AND THAT ALSO FAILS TO DEMONSTRATE A GOOD FAITH EFFORT TO COMPLY WITH THE FILING REQUIREMENT IS SUBJECT TO A PENALTY NOT EXCEEDING \$50,000.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 494A(e)(6).

The reference to a "person required to file a pre-acquisition notification under this subtitle or Subtitle 3 of this title" is substituted for the former reference to an "insurer or other person" that fails to make a "filing required by this section" to clarify that this penalty applies to pre-acquisition notifications required under Subtitles 3 and 4 of this title.

The word "penalty" is substituted for the former reference to a "fine" for consistency.

Defined term: "Person" § 1-101

SUBTITLE 5. ACQUISITION OF HEALTH SERVICE PLAN.

7-501. ACQUISITION OF CONTROL OF FOREIGN NONPROFIT HEALTH SERVICE PLAN.

(A) SCOPE OF SECTION.

THIS SECTION DOES NOT APPLY TO:

- (1) A TRANSACTION THAT IS PREEMPTED BY FEDERAL LAW; OR
- (2) A TRANSACTION AS TO WHICH:

(I) THE LAWS OF THE JURISDICTION IN WHICH THE NONPROFIT HEALTH SERVICE PLAN IS DOMICILED AUTHORIZE THE COMMISSIONER OF THAT JURISDICTION TO INVESTIGATE AND APPROVE AN ACQUISITION OF DIRECT OR INDIRECT CONTROL OF A NONPROFIT HEALTH SERVICE PLAN BY CONVERSION, MERGER, CONSOLIDATION, EXERCISE OF A RIGHT TO ACQUIRE, OR OTHERWISE; AND