

BY repealing and reenacting, with amendments,
 Article – Courts and Judicial Proceedings
 Section 5-337
 Annotated Code of Maryland
 (1989 Replacement Volume and 1994 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 48A – Insurance Code

522.

[(1) This subtitle shall apply to direct life insurance policies, health insurance policies, annuity contracts, and contracts supplemental to life and health insurance policies and annuity contracts issued by persons authorized to transact insurance in this State at any time, including nonprofit health service plans.]

[(2) This subtitle shall not apply to:

(a) Any such policies or contracts, or any part of such policies or contracts, under which the risk is borne by the policyholder;

(b) Any such policy or contract or part thereof assumed by the impaired insurer under a contract of reinsurance, other than reinsurance for which assumption certificates have been issued; or

(c) Any such policy or contract issued by fraternal benefit societies.]

[(3)](A) Coverage shall be provided under this subtitle for the policies or contracts specified in subsection [(1)] (B) of this section to any [person] INDIVIDUAL who is:

[(a)](1) (i) An owner of or certificate holder under a policy or contract;
 and

(ii) 1. A resident of this State; or

2. Nonresident of this State, if:

A. The insurer that issued the policy or contract is domiciled in this State;

B. The insurer that issued the policy or contract has never held a license or certificate of authority in the state in which the nonresident resides;

C. The state in which the nonresident resides has associations or corporations similar to the corporation created under § 525 of this subtitle; and

D. The nonresident is not eligible for coverage by the associations or corporations in the state in which the nonresident resides; and