

(A) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, THE SOCIETY MAY ESTABLISH, OWN, OR CONTROL A SUBSIDIARY FOR ANY BUSINESS PURPOSE.

(B) A SUBSIDIARY THAT IS ESTABLISHED, OWNED, OR CONTROLLED BY THE SOCIETY IS NOT SUBJECT TO THE PROVISIONS OF THIS SUBTITLE.

(C) (1) A SUBSIDIARY OF THE SOCIETY IS NOT AND MAY NOT BE DEEMED A DEPARTMENT, UNIT, AGENCY, OR INSTRUMENTALITY OF THE STATE FOR ANY PURPOSE.

(2) THE STATE MAY NOT BE HELD IN ANY WAY LIABLE OR RESPONSIBLE FOR ANY OF THE DEBTS, CLAIMS, OBLIGATIONS, OR LIABILITIES OF A SUBSIDIARY OF THE SOCIETY OR THE SOCIETY.

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(a) If, in the judgment of the Board of Directors, the affairs of the Society thereby may be administered suitably and efficiently, the [Company] SOCIETY may enter into a contract, not to exceed five years in duration, whereby the affairs of the Society are administered by a licensed insurer, or a licensed nonprofit health service plan, subject to such continuing direction by the Board of Directors as specified in the articles of incorporation, the bylaws, and the contract.

(b) Upon the execution of any contract, the Society shall promptly file a true copy with the State Insurance Commissioner. The contract shall become effective 30 days from the date of filing unless the Commissioner, prior to the effective date, disapproves the contract as being contrary to law, public policy or unduly onerous and states the reasons for his findings.

Chapter 408 of the Acts of 1990

[SECTION 2. AND BE IT FURTHER ENACTED, That Medical Mutual Liability Insurance Society of Maryland shall file interim reports with the State Insurance Commissioner of Maryland in accordance with Article 48A, § 58(2) of the Code and an annual report with the Legislative Policy Committee of the General Assembly on November 1, of each year regarding subsidiary operations in states other than Maryland describing the financial impact of these operations including all rate filing information and certification of reserves.]

[SECTION 3. AND BE IT FURTHER ENACTED, That any application filed by a subsidiary of the Society for admission in a state other than Maryland, shall be simultaneously filed with the Commissioner, together with a 3-year business plan demonstrating that sufficient capital, surplus, and reserve will be generated in the state in which the application is filed to preserve the financial integrity and stability of the Society. The Commissioner shall have 30 days in which to review the application and to order its amendment or withdrawal. The application shall be deemed approved unless disapproved by the Commissioner within 30 days after the application is filed.]

[SECTION 4. AND BE IT FURTHER ENACTED, That for 3 years following admission to a state other than Maryland, a subsidiary of the Society shall file interim reports with the Commissioner in accordance with Article 48A, § 58(2) of the Code