

(1994 Replacement Volume and 1995 Supplement)

(As enacted by Chapter 9, Section 2 of the Acts of the General Assembly of 1993)

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

Article 48A – Insurance Code

698.

(a) In this subtitle the following words have the meanings indicated.

(g) (1) “Eligible employee” means an employee who works on a full-time basis and has a normal workweek of 30 or more hours.

(2) “Eligible employee” includes:

(i) A sole proprietor, a self-employed individual, a partner of a partnership, and an independent contractor who is included as an employee under a health benefit plan under this subtitle; and

(ii) A sole employee of a nonprofit organization, which has been determined by the Internal Revenue Service to be exempt from taxation under § 501(c)(3), (4), or (6) of the Internal Revenue Code, who has a normal workweek of 20 or more hours and is not covered under a public or private health insurance plan or other health benefit arrangement.

(3) “Eligible employee” does not include an individual who works on a temporary or substitute basis or for fewer than 30 hours in a workweek.

(q) (1) “Small employer” means:

(i) Any person, sole proprietor, firm, corporation, partnership, or association actively engaged in business if:

1. On at least 50 percent of its working days during the preceding calendar year, employed at least two but no more than 50 eligible employees; and

2. The majority of the individuals described under item 1 of this subparagraph are employed within the State; or

(ii) Any self-employed individual who:

1. Is an individual or sole proprietor who derives a substantial portion of the individual’s income from a trade or business through which the individual or sole proprietor has attempted to earn taxable income and for which the individual has filed the appropriate Internal Revenue Form 1040, Schedule C or F, for the previous taxable year, a copy of which shall be filed with the carrier as proof of employment; or

2. Is an individual engaged in a licensed profession through a professional corporation organized in accordance with Title 5, Subtitle 1 of the Corporations and Associations Article and who received health benefits through a professional association prior to July 1, 1994.