

(1) ESTABLISH REASONABLE CLASSIFICATIONS OF PHYSICIANS AND OTHER HEALTH CARE PROVIDERS, INSURED ACTIVITIES, AND EXPOSURES BASED ON A GOOD FAITH DETERMINATION OF RELATIVE EXPOSURES AND HAZARDS AMONG CLASSIFICATIONS;

(2) VARY THE LIMITS, COVERAGES, EXCLUSIONS, CONDITIONS, AND LOSS-SHARING PROVISIONS AMONG CLASSIFICATIONS; AND

(3) ESTABLISH, FOR AN INDIVIDUAL PHYSICIAN OR OTHER HEALTH CARE PROVIDER WITHIN A CLASSIFICATION, REASONABLE VARIATIONS IN THE TERMS OF COVERAGE, INCLUDING DEDUCTIBLES AND LOSS-SHARING PROVISIONS, BASED ON THE INSURED'S PRIOR LOSS EXPERIENCE AND CURRENT PROFESSIONAL TRAINING AND CAPABILITY.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 554.

Defined terms: "Health care provider" § 24-201

"Physician" § 24-201

"Policy" § 1-101

"Society" § 24-201

24-210. SUBSIDIARIES.

(A) IN GENERAL.

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

(B) APPLICABILITY OF SUBTITLE.

A SUBSIDIARY THAT IS ESTABLISHED, OWNED, OR CONTROLLED BY THE SOCIETY IS NOT SUBJECT TO THIS SUBTITLE.

(C) INDEPENDENT FROM STATE.

(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.

(D) CAPITALIZING SUBSIDIARIES.

WITHOUT THE PRIOR APPROVAL OF THE BOARD OF DIRECTORS, INCLUDING AT LEAST 80% OF THE PHYSICIAN MEMBERS OF THE BOARD OF DIRECTORS, THE SOCIETY MAY NOT DIRECTLY OR INDIRECTLY CAPITALIZE, TRANSFER MONEYS TO, OR PURCHASE STOCK IN AN INSURANCE SUBSIDIARY BEYOND THE \$3,250,000 USED BY THE SOCIETY BEFORE DECEMBER 31, 1989, TO CAPITALIZE THE INSURANCE SUBSIDIARIES.