

"Commissioner" § 1-101
"Health insurance" § 1-101
"Medicare" § 15-901
"Policy" §§ 1-101 and 15-901

15-922. COMPENSATION OF AGENTS AND OTHER REPRESENTATIVES.

(A) "COMPENSATION" DEFINED.

(1) IN THIS SECTION, "COMPENSATION" MEANS ANY PECUNIARY OR NONPECUNIARY REMUNERATION RELATED TO THE SALE OR RENEWAL OF A MEDICARE SUPPLEMENT POLICY OR CERTIFICATE.

(2) "COMPENSATION" INCLUDES BONUSES, GIFTS, AND FINDERS' FEES.

(3) "COMPENSATION" DOES NOT INCLUDE NONCASH PRIZES OR AWARDS.

(B) IN GENERAL.

A CARRIER OR OTHER ENTITY MAY PROVIDE A COMMISSION OR OTHER COMPENSATION TO AN AGENT OR OTHER REPRESENTATIVE FOR THE SALE OF A MEDICARE SUPPLEMENT POLICY OR CERTIFICATE ONLY IF THE FIRST YEAR COMMISSION OR OTHER FIRST YEAR COMPENSATION IS NOT MORE THAN 200% OF THE COMMISSION OR OTHER COMPENSATION PAID FOR SELLING OR SERVICING THE MEDICARE SUPPLEMENT POLICY OR CERTIFICATE IN THE SECOND YEAR OR PERIOD.

(C) RENEWAL YEARS.

A CARRIER OR OTHER ENTITY MUST PROVIDE THE SAME COMMISSION OR OTHER COMPENSATION IN SUBSEQUENT RENEWAL YEARS AS THE COMMISSION OR OTHER COMPENSATION PROVIDED IN THE SECOND YEAR OR PERIOD AND FOR NO FEWER THAN 5 RENEWAL YEARS.

(D) LIMITATIONS.

IF AN EXISTING MEDICARE SUPPLEMENT POLICY OR CERTIFICATE IS REPLACED, THE CARRIER OR OTHER ENTITY MAY NOT PROVIDE TO ITS AGENTS OR OTHER PRODUCERS, AND AN AGENT OR OTHER PRODUCER MAY NOT RECEIVE, COMPENSATION GREATER THAN THE RENEWAL COMPENSATION PAYABLE BY THE SUCCEEDING CARRIER ON RENEWAL MEDICARE SUPPLEMENT POLICIES OR CERTIFICATES.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 468DB.

In subsection (a)(1) of this section, the word "means" is substituted for the former word "includes" to conform with the drafting style for definitions used throughout the revised articles of the Code.

In subsection (d) of this section, the reference to a "carrier" is added for consistency with terminology used throughout this section.