

698.

(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; and2. 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] A. LIVES, WORKS, OR RESIDES IN THIS STATE; ANDB. IS an individual or sole proprietor [who derives] OR IS ORGANIZED IN ANY OTHER LEGALLY RECOGNIZED MANNER THAT A SELF-EMPLOYED INDIVIDUAL MAY ORGANIZE SUCH THAT a substantial portion of the individual's income IS DERIVED 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,] FORM OR FORMS AND SCHEDULE for the previous taxable year, a copy of which shall be filed with the carrier [as proof of employment]; or2. 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.(9) A CARRIER MAY REQUEST DOCUMENTATION FROM A PERSON TO VERIFY THAT THE PERSON SATISFIES THE CRITERIA UNDER PARAGRAPH (1)(I), (2)(I), (4), (5), (6), OR (7) OF THIS SUBSECTION TO BE CONSIDERED A SMALL EMPLOYER UNDER THIS SUBTITLE.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

**Article - Insurance**

15-111.

(a) (1) In this section the following words have the meanings indicated.

(2) "Health benefit plan" has the meaning stated in § 15-1201 of this title.

(3) "Payor" means:

(i) a health insurer or nonprofit health service plan that holds a certificate of authority and provides health insurance policies or contracts in the State under this article;