

BY adding toArticle – InsuranceSection 15-1203(b)(4)Annotated Code of Maryland(1995 Volume and 1996 Supplement)(As enacted by Chapter __ (H.B. 11) of the Acts of the General Assembly of 1997)

BY repealing and reenacting, with amendments,

Article – Insurance

Section 15-1203(c)

Annotated Code of Maryland

(1995 Volume and 1996 Supplement)

(As enacted by Chapter __ (H.B. 11) of the Acts of the General Assembly of 1997)

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

Article 48A – Insurance Code698.(a) (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.