

SUBSECTIONS (C) THROUGH (F) OF THIS SECTION APPLY TO A NONPROFIT HEALTH SERVICE PLAN THAT IS INCORPORATED UNDER THE LAWS OF THE STATE AND OPERATES UNDER A CERTIFICATE OF AUTHORITY ISSUED BY THE COMMISSIONER UNDER THIS SUBTITLE.

(C) IN GENERAL.

(1) THE BUSINESS AND AFFAIRS OF A NONPROFIT HEALTH SERVICE PLAN SHALL BE MANAGED UNDER THE DIRECTION OF A BOARD OF DIRECTORS.

(2) THE BOARD AND ITS INDIVIDUAL MEMBERS ARE FIDUCIARIES AND SHALL ACT:

(I) IN GOOD FAITH;

(II) IN A MANNER THAT IS REASONABLY BELIEVED TO BE IN THE BEST INTERESTS OF THE CORPORATION; AND

(III) WITH THE CARE THAT AN ORDINARILY PRUDENT PERSON IN A LIKE POSITION WOULD USE UNDER SIMILAR CIRCUMSTANCES.

(3) AN OFFICER OR EMPLOYEE OF A NONPROFIT HEALTH SERVICE PLAN OR ANY OF ITS AFFILIATES OR SUBSIDIARIES MAY NOT BE APPOINTED OR ELECTED TO THE BOARD.

(4) A NONPROFIT HEALTH SERVICE PLAN IS SUBJECT TO THE PROVISIONS OF § 2-419 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

(D) CONSUMER MEMBERS OF BOARD.

(1) THIS SUBSECTION DOES NOT APPLY TO A BOARD OF A NONPROFIT HEALTH SERVICE PLAN THAT ISSUES CONTRACTS FOR ONLY ONE OF THE FOLLOWING SERVICES:

(I) PODIATRIC;

(II) CHIROPRACTIC;

(III) PHARMACEUTICAL;

(IV) DENTAL;

(V) PSYCHOLOGICAL; OR

(VI) OPTOMETRIC.

(2) THE BOARD SHALL APPOINT TWO ADDITIONAL MEMBERS TO SERVE AS VOTING CONSUMER MEMBERS.

(3) OF THE TWO CONSUMER MEMBERS, ONE SHALL BE A SUBSCRIBER AND ONE SHALL BE A CERTIFICATE HOLDER OF THE NONPROFIT HEALTH SERVICE PLAN.

(4) EACH CONSUMER MEMBER OF THE BOARD: