

Article, as enacted by Section 1 of this Act, shall be removed from the board of directors and replaced on or before June 1, 2004.

(b) The board members who serve on the board of a corporation subject to the provisions of § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act, and who represent a corporation that is not organized under the laws of the State shall be removed and replaced on or before December 1, 2006.

SECTION 4. AND BE IT FURTHER ENACTED, That the board of directors of a corporation subject to the provisions of § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act, shall develop a plan to stagger the terms of the voting members of the board so that the terms of:

- (1) five members will terminate on December 1, 2005;
- (2) five members will terminate on December 1, 2006;
- (3) five members will terminate on December 1, 2007; and
- (4) six members will terminate on December 1, 2008.

SECTION 5. AND BE IT FURTHER ENACTED, That, for a period of 5 years after the effective date of this Act:

(1) a person may not file an application for the acquisition of a nonprofit health service plan subject to the provisions of § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act, and a nonprofit health service plan subject to the provisions of § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act, may not be acquired, under Title 6.5 of the State Government Article; and

(2) the Insurance Commissioner may not approve an application for the acquisition of a nonprofit health service plan subject to the provisions of § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act.

SECTION 6. AND BE IT FURTHER ENACTED, That the provisions of § 14-139(e) of the Insurance Article, as enacted by Section 1 of this Act, shall apply to any existing compensation agreement, including an agreement for termination, severance, performance bonuses, or supplemental executive retirement benefits, between a corporation organized under the laws of this State and subject to § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act, and an officer, director, trustee, or employee of the corporation.

SECTION 7. AND BE IT FURTHER ENACTED, That a member of the board of directors of a corporation organized under the laws of this State and subject to § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act, who is a member of the board of directors on the effective date of this Act is prohibited from serving on the board of directors of the corporation after removal from the board under the provisions of Section 2 of this Act.

SECTION 8. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly to encourage a nonprofit health service plan that is subject to § 14-115(d) of the Insurance Article, as enacted by Section 1 of this Act, to participate