

(3) (1) THIS PARAGRAPH APPLIES TO A CORPORATION THAT IS:

1. ISSUED A CERTIFICATE OF AUTHORITY AS A NONPROFIT HEALTH SERVICE PLAN; AND

2. THE SOLE MEMBER OF A CORPORATION ISSUED A CERTIFICATE OF AUTHORITY AS A NONPROFIT HEALTH SERVICE PLAN.

(II) ON OR BEFORE MARCH 1, 2004, AND ANNUALLY THEREAFTER, A CORPORATION SUBJECT TO THIS PARAGRAPH SHALL REPORT TO THE COMMISSIONER ON THE AMOUNT OF THE ORDINARY AND NECESSARY EXPENSES PAID TO EACH BOARD MEMBER IN THE PRECEDING CALENDAR YEAR.

[(g) (1) This subsection does not apply to a board of a nonprofit health service plan that has a premium income for the preceding year of less than \$30,000,000.

(2) No more than 25% of a board may be:

(i) licensed health care professionals;

(ii) hospital administrators; and

(iii) employees of health care professionals or hospitals.

(3) The Commissioner may adopt regulations that limit the representation of licensed health care professionals, hospital administrators, and employees of health care professionals or hospitals on a subcommittee of the board in accordance with paragraph (2) of this subsection.]

14-116.

(a) (1) In this section, "unsound or unsafe business practice" means a business practice that:

(i) is detrimental to the financial condition of a nonprofit health service plan and does not conform to sound industry practice; [or]

(ii) impairs the ability of a nonprofit health service plan to pay subscriber benefits; OR

(III) VIOLATES § 14-102, § 14-115, OR § 14-139(C) OF THIS SUBTITLE.

(2) "Unsound or unsafe business practice" includes:

(i) failing to comply with the notice requirements of § 14-119 of this subtitle;

(ii) willfully hindering an examination of a nonprofit health service plan or its affiliates or subsidiaries; and

(iii) failure of a director to attend at least 65% of the meetings of the board during a period of 12 consecutive months.