

14-139.

(a) An officer, director, or employee of a corporation operating under this subtitle may not:

(1) willfully violate a provision of this article or a regulation adopted under this article;

(2) willfully misrepresent or conceal a material fact in a statement, report, record, or communication submitted to the Commissioner;

(3) willfully misrepresent a material fact to the board of directors;

(4) misappropriate or fail to account properly for money that belongs to the corporation, an insurer, insurance producer, subscriber, or certificate holder;

(5) engage in fraudulent or dishonest practices in connection with the provision or administration of a health service plan;

(6) willfully fail to produce records or allow an examination under § 14-125 of this subtitle; or

(7) willfully fail to comply with a lawful order of the Commissioner.

(b) An officer, director, or trustee of a corporation operating under this subtitle may not receive any immediate or future remuneration as the result of an acquisition or proposed acquisition, as defined under § 6.5-101 of the State Government Article, except in the form of compensation paid for continued employment with the company or acquiring entity.

(C) A DIRECTOR, TRUSTEE, OFFICER, EXECUTIVE, OR EMPLOYEE OF A CORPORATION OPERATING UNDER THIS SUBTITLE MAY ONLY APPROVE OR RECEIVE FROM THE ASSETS OF THE CORPORATION FAIR AND REASONABLE COMPENSATION IN THE FORM OF SALARY, BONUSES, OR PERQUISITES FOR WORK ACTUALLY PERFORMED FOR THE BENEFIT OF THE CORPORATION.

(D) (1) THE COMPENSATION COMMITTEE OF THE BOARD SHALL:

(I) IDENTIFY NONPROFIT HEALTH SERVICE PLANS IN THE UNITED STATES THAT ARE SIMILAR IN SIZE AND SCOPE TO THE NONPROFIT HEALTH SERVICE PLAN MANAGED BY THE BOARD; AND

(II) DEVELOP PROPOSED GUIDELINES, FOR APPROVAL BY THE BOARD, FOR COMPENSATION, INCLUDING SALARY, BONUSES, AND PERQUISITES, OF ALL OFFICERS AND EXECUTIVES THAT IS REASONABLE IN COMPARISON TO COMPENSATION FOR OFFICERS AND EXECUTIVES OF SIMILAR NONPROFIT HEALTH SERVICE PLANS.

(2) ON OR BEFORE JUNE 1, 2004, THE BOARD SHALL SUBMIT THE PROPOSED GUIDELINES DEVELOPED UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION TO THE COMMISSIONER FOR REVIEW AND APPROVAL.