Article 48A – Insurance Code

487.

(A) IN THIS SECTION, "COMMUNITY FOUNDATION" MEANS A NONPROFIT ORGANIZATION:

(1) FORMED TO RECEIVE CONTRIBUTIONS AND DISTRIBUTE FUNDS TO MEET CULTURAL, EDUCATIONAL, CHARITABLE, ENVIRONMENTAL, CIVIC, OR OTHER SIMILAR NEEDS OF A COMMUNITY; AND

(2) GOVERNED BY A BOARD OF PRIVATE CITIZENS WHO RESIDE IN THE COMMUNITY.

~~(a)~~ ~~The~~ (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE Commissioner, upon application and in his discretion, may issue a special permit to make annuity agreements with donors to any educational or religious organization not conducted for profit and engaged solely in bona fide educational or religious activities, [or] to any hospital in the State [which is operated in conjunction with an accredited medical school], OR TO ANY COMMUNITY FOUNDATION, which shall have been in active operation in this State for at least ten years prior thereto and which shall have been granted exemption from federal income taxation under the provisions of § 501 of the Internal Revenue Code, provided, however, that such special permit shall be in effect only so long as such educational or religious organization [or], hospital, OR COMMUNITY FOUNDATION shall be exempt from federal taxation under the provisions of § 501 of the Internal Revenue Code. Such permit shall authorize such educational or religious organization [or], hospital, OR COMMUNITY FOUNDATION to receive gifts of money or other property conditional upon, or in consideration of, its agreement to pay an annuity to the donor or his nominee, and to make and carry out such annuity agreement.

(2) THE COMMISSIONER MAY ISSUE A SPECIAL PERMIT TO A COMMUNITY FOUNDATION THAT HAS BEEN IN EXISTENCE FOR AT LEAST 5 YEARS BUT LESS THAN 10 YEARS IF THE COMMUNITY FOUNDATION MAINTAINS ADMITTED ASSETS IN AN AMOUNT OF UP TO 100 PERCENT OF THE CONTRIBUTIONS MADE TO THE FOUNDATION, AS DETERMINED BY THE COMMISSIONER.

~~(b)~~ (C) Every ~~such~~ educational or religious organization [or], hospital, OR COMMUNITY FOUNDATION issuing annuities under ~~such permit~~ A PERMIT ISSUED UNDER SUBSECTION (B)(1) OF THIS SECTION shall have and maintain admitted assets at least equal to the sum of adequate reserves on its outstanding annuity agreements as indicated by an annual report which shall be submitted to the Commissioner within ninety (90) days after the termination of such organization's fiscal years. Such annual reports shall be treated as confidential by the Commissioner and shall not be available for public inspection. In determining the reserves of any such organization on outstanding annuity agreements a deduction shall be made for all or any portion of an annuity risk which is reinsured by a life insurance company authorized to do business in this State.