

[19-711.1.

(a) A domestic nonprofit health maintenance organization may become a for-profit health maintenance organization under the plan and procedure approved by the Commissioner.

(b) The Commissioner may not approve any plan or procedure unless:

(1) It is equitable to enrollees and shareholders, if any, of the health maintenance organization;

(2) It is in compliance with Title 2, Subtitle 6 of the Corporations and Associations Article; and

(3) The plan or procedure provides that no part of the assets or surplus of the nonprofit health maintenance organization will inure directly or indirectly to any officer or director of the health maintenance organization.

(c) A domestic nonprofit health maintenance organization that becomes a for-profit health maintenance organization shall be given recognition in all respects as a health maintenance organization formed under the laws of this State as of the date of its initial authorization as a nonprofit health maintenance organization.

(d) The certificate of authority, agent appointments, forms, and other filings which are in existence at the time of the conversion from a nonprofit health maintenance organization to a for-profit health maintenance organization shall continue in full force and effect upon conversion if the health maintenance organization at all times remains qualified to engage in business in this State.

(e) All outstanding contracts of the converting health maintenance organization shall remain in full force and effect and need not otherwise be endorsed unless ordered by the Commissioner.

(f) The Commissioner may conduct a hearing concerning the proposed conversion of a nonprofit health maintenance organization to a for-profit health maintenance organization.]

Article - Insurance

4-113.

(b) The Commissioner may deny a certificate of authority to an applicant or, subject to the hearing provisions of Title 2 of this article, refuse to renew, suspend, or revoke a certificate of authority if the applicant or holder of the certificate of authority:

(1) violates any provision of this article other than one that provides for mandatory denial, refusal to renew, suspension, or revocation for its violation;

(2) knowingly fails to comply with a regulation or order of the Commissioner;