

HOUSE BILL 882

C3

9lr2644

By: **Delegate Kipke**

Introduced and read first time: February 8, 2019

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Group Health Insurance Policies – Definition of Employee**

3 FOR the purpose of altering the definition of “employee” to include a director of a corporate
4 employer for purposes of certain provisions of law governing the issuance of policies
5 of group health insurance to an employer or certain trustees; defining a certain term;
6 providing for a delayed effective date; and generally relating to group health
7 insurance policies.

8 BY repealing and reenacting, with amendments,

9 Article – Insurance

10 Section 15–302

11 Annotated Code of Maryland

12 (2017 Replacement Volume and 2018 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
14 That the Laws of Maryland read as follows:

15 **Article – Insurance**

16 15–302.

17 **(A) IN THIS SECTION, “HEALTH INSURANCE” DOES NOT INCLUDE A HEALTH**
18 **BENEFIT PLAN AS DEFINED UNDER § 15–1201 OR § 15–1401 OF THIS ARTICLE.**

19 **[(a)] (B)** Group health insurance is health insurance issued to persons specified
20 in this section to cover the groups of individuals described in this section, with or without
21 their dependents or family members, or to cover their dependents or family members.

22 **[(b)] (C)** (1) **[(i)]** In this subsection, “employee” may include:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 [1.] (I) an officer or manager of the employer;

2 [2.] (II) a sole proprietor if the employer is a sole
3 proprietorship;

4 [3.] (III) a partner if the employer is a partnership;

5 [4.] (IV) an officer, manager, or employee of a corporation
6 that is an affiliate or subsidiary of the employer;

7 [5.] (V) a sole proprietor, partner, or employee of a sole
8 proprietorship or partnership if the businesses of the employer and sole proprietorship or
9 partnership are under common control through stock ownership, contract, or otherwise;

10 [6.] (VI) a retired employee;

11 [7.] (VII) an elected or appointed official of a public body, but
12 only if the policy is issued to insure employees of the public body; [and]

13 [8.] (VIII) a trustee of the fund, employee of the trustee, or
14 both if the duties of the trustee or employee are connected principally with the trusteeship;
15 AND

16 (IX) A DIRECTOR OF A CORPORATE EMPLOYER.

17 [(ii) "Employee" does not include a director of a corporate employer
18 unless the director is otherwise eligible as an employee of the corporation by performing
19 services other than the usual duties of a director.]

20 (2) A policy of group health insurance may be issued to an employer or the
21 trustees of a fund established by an employer to cover employees of the employer for the
22 benefit of persons other than the employer.

23 (3) The employer or trustees to which the policy is issued are deemed the
24 policyholder.

25 [(c)] (D) (1) In this subsection, "employee" may include a retired employee.

26 (2) A policy of group health insurance may be issued to an association,
27 including a labor union, that has a constitution and bylaws and that is organized and
28 maintained in good faith for purposes other than that of obtaining insurance, to cover
29 members, employees, or employees of members of the association for the benefit of persons
30 other than the association or its officers or trustees.

31 [(d)] (E) (1) In this subsection, "employee" may include:

- 1 (i) an officer or manager of the employer;
- 2 (ii) a sole proprietor if the employer is a sole proprietorship;
- 3 (iii) a partner if the employer is a partnership;
- 4 (iv) a retired employee; and
- 5 (v) a trustee of the fund, employee of the trustee, or both if the duties
6 of the trustee or employee are connected principally with the trusteeship.

7 (2) A policy of group health insurance may be issued to the trustees of a
8 fund established by two or more employers in the same or related industry, by one or more
9 labor unions, by one or more employers and one or more labor unions, or by an association
10 described in subsection (b) of this section, to cover employees of the employers, members of
11 the unions, members of the association, or employees of members of the association, for the
12 benefit of persons other than the employers, unions, or association.

13 (3) The trustees to which the policy is issued are deemed the policyholder.

14 ~~[(e)]~~ (F) A policy of group health insurance may be issued to a person to which
15 a policy of group life insurance may be issued or delivered in the State, to cover a class or
16 classes of individuals eligible for insurance under the group life policy.

17 ~~[(f)]~~ (G) A policy of group health insurance may be issued to cover any other
18 substantially similar group that, in the discretion of the Commissioner, may be eligible for
19 group health insurance.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 January 1, 2020.