

(3) [a health maintenance organization authorized by Title 19, Subtitle 7 of the Health – General Article;

(4)] a surplus lines broker, who is subject to taxation in accordance with Title 3, Subtitle 3 of this article;

[(5)](4) an unauthorized insurer, who is subject to taxation in accordance with Title 4, Subtitle 2 of this article;

[(6)](5) the Maryland Health Insurance Plan established under Title 14, Subtitle 5, Part I of this article; or

[(7)](6) the Senior Prescription Drug Program established under Title 14, Subtitle 5, Part II of this article.

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(a) A tax is imposed on all new and renewal gross direct premiums of each person subject to taxation under this subtitle that are:

- (1) allocable to the State; and
- (2) written during the preceding calendar year.

(b) Premiums to be taxed include:

(1) the consideration for a surety contract, guaranty contract, or annuity contract;

(2) GROSS RECEIPTS RECEIVED AS A RESULT OF CAPITATION PAYMENTS, SUPPLEMENTAL PAYMENTS, AND BONUS PAYMENTS, MADE TO A MANAGED CARE ORGANIZATION FOR PROVIDER SERVICES TO AN INDIVIDUAL WHO IS ENROLLED IN A MANAGED CARE ORGANIZATION;

(3) SUBSCRIPTION CHARGES OR OTHER AMOUNTS PAID TO A HEALTH MAINTENANCE ORGANIZATION ON A PREDETERMINED PERIODIC RATE BASIS BY A PERSON OTHER THAN A PERSON SUBJECT TO THE TAX UNDER THIS SUBTITLE AS COMPENSATION FOR PROVIDING HEALTH CARE SERVICES TO MEMBERS;

[(2)](4) dividends on life insurance policies that have been applied to buy additional insurance or to shorten the period during which a premium is payable; and

[(3)](5) the part of the gross receipts of a title insurer that is derived from insurance business or guaranty business.

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The tax rate is:

- (1) 0% for premiums for annuities; and
- (2) 2% for all other premiums, INCLUDING: