

SB0380/727476/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 380
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Hershey” and substitute “. Hershey, Benson, Oaks, and Rosapepe”; in line 2, strike “Surplus Lines –”; strike beginning with “Procurement” in line 2 down through “Insurer” in line 3 and substitute “Study”; strike beginning with “altering” in line 4 down through “Act” in line 7 and substitute “requiring the Maryland Insurance Administration to conduct a study to assess the need in the State for short-term medical insurance offered by nonadmitted insurers; establishing certain requirements for the study; requiring the Administration to solicit input from certain persons in conducting the study; requiring the Administration to submit a certain report to the Governor and certain legislative committees on or before a certain date; defining a certain term”; in line 8, strike “surplus lines insurance and the procurement of” and substitute “a study of the need for”; in line 9, strike “from a” and substitute “offered by”; in the same line, strike “insurer” and substitute “insurers”; strike in their entirety lines 10 through 19, inclusive; and in line 21, strike “the Laws of Maryland read as follows”.

AMENDMENT NO. 2

On pages 1 through 3, strike in their entirety the lines beginning with line 22 on page 1 through line 26 on page 3, inclusive, and substitute:

“(a) In this section, “short-term medical insurance” means medical insurance with a policy term that does not exceed 11 months.

“(b) The Maryland Insurance Administration shall conduct a study to assess the need in the State for short-term medical insurance offered by nonadmitted insurers.

“(c) The study required under subsection (b) of this section shall:

(Over)

(1) seek to identify the circumstances in which individuals in the State are in need of short-term medical insurance;

(2) assess the availability of short-term medical insurance offered by admitted insurers in the State, including whether short-term medical insurance coverage offered by admitted insurers is unavailable to individuals in certain geographic regions of the State;

(3) determine whether short-term medical insurance policies are being offered online and, if so, whether the policies are being procured through licensed Maryland insurance producers;

(4) compare the coverages under and premiums for short-term medical insurance policies offered by admitted insurers and the underwriting practices of those insurers with the coverages under and premiums for short-term medical insurance policies offered by nonadmitted insurers as a surplus line and the underwriting practices of those insurers;

(5) assess the impact on the admitted health insurance market and consumers of authorizing nonadmitted insurers to offer short-term medical insurance as a surplus line to individuals in the State who:

(i) are unable to obtain health coverage under the Affordable Care Act, including individuals who are unable to obtain health coverage due to not enrolling during an open enrollment period; or

(ii) drop coverage obtained under the Affordable Care Act;

(6) review and provide information about consumer complaints and enforcement actions relating to short-term medical insurance policies; and

(7) recommend:

(i) whether limitations in current law on the offering of short-term medical insurance by a nonadmitted insurer as a surplus line should be altered to address any barriers to health coverage access encountered by individuals in the State; and

(ii) the adoption of any disclosures or consumer protections that may be needed:

1. for short-term medical insurance procured from admitted insurers; and

2. for short-term medical insurance procured from nonadmitted insurers as a surplus line if offering the insurance is authorized for circumstances in addition to those permitted under current law.

(d) In conducting the study required under subsection (b) of this section, the Administration shall solicit input from:

(1) admitted insurers, including insurers that offer short-term medical insurance policies and insurers that offer qualified health plans;

(2) nonadmitted insurers that offer short-term medical insurance policies as a surplus line;

(3) insurance producers and surplus lines brokers;

(4) Maryland consumers;

(5) members of the General Assembly; and

(Over)

(6) other interested stakeholders.

(e) On or before December 1, 2017, the Administration shall submit a report on its findings and recommendations from the study required under subsection (b) of this section to the Governor and, in accordance with § 2-1246 of the State Government Article, the Senate Finance Committee and the House Health and Government Operations Committee.”.

On page 3, in line 27, strike “3.” and substitute “2.”; and in line 28, strike “October” and substitute “June”.