

HOUSE BILL 1279

C3

71r3097

By: **Delegate Kach**

Introduced and read first time: February 23, 2007

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Public Health Plans – Education and Disclosure**
3 **Requirements**

4 FOR the purpose of requiring that, in the case of an applicant for a license as an
5 insurance producer for health insurance, a certain program of studies shall
6 include a course designed to familiarize the applicant with certain public health
7 plans available to residents of the State; requiring certain applicants to pass a
8 certain examination to determine the familiarity of the applicant with certain
9 public health plans; requiring certain insurance producers to receive continuing
10 education that directly relates to certain public health plans; requiring a
11 licensed insurance producer to provide to a certain small employer information
12 about certain public health plans on a certain form and at a certain time;
13 requiring a certain small employer, under certain circumstances, to agree to
14 provide information about certain public health plans on a certain form and to
15 certain employees; defining a certain term; providing for the effective dates of
16 this Act; providing for the termination of certain provisions of this Act; and
17 generally relating to education and disclosure requirements relating to public
18 health plans.

19 BY repealing and reenacting, without amendments,
20 Article – Insurance
21 Section 10–101(a) and 10–116(a)(1) and (4)(i)
22 Annotated Code of Maryland
23 (2003 Replacement Volume and 2006 Supplement)

24 BY adding to

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Insurance
2 Section 10–101(h–1)
3 Annotated Code of Maryland
4 (2003 Replacement Volume and 2006 Supplement)

5 BY repealing and reenacting, with amendments,
6 Article – Insurance
7 Section 10–105(e), 10–109(b)(1), and 10–116(a)(4)(ii)
8 Annotated Code of Maryland
9 (2003 Replacement Volume and 2006 Supplement)

10 BY adding to
11 Article – Insurance
12 Section 15–1206(g)
13 Annotated Code of Maryland
14 (2006 Replacement Volume and 2006 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Insurance
17 Section 15–1209(e)
18 Annotated Code of Maryland
19 (2006 Replacement Volume and 2006 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – Insurance
22 Section 15–1209(c)
23 Annotated Code of Maryland
24 (2006 Replacement Volume and 2006 Supplement)
25 (As enacted by Chapter 287 of the Acts of the General Assembly of 2004)

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

28 **Article – Insurance**

29 10–101.

30 (a) In this subtitle the following words have the meanings indicated.

31 **(H–1) “PUBLIC HEALTH PLAN” INCLUDES:**

32 **(1) THE MARYLAND MEDICAL ASSISTANCE PROGRAM;**

1 **(2) THE MARYLAND CHILDREN’S HEALTH INSURANCE PLAN;**
2 **AND**

3 **(3) ANY OTHER SIMILAR STATE PLAN OR PROGRAM SPECIFIED IN**
4 **REGULATIONS ADOPTED BY THE COMMISSIONER, IN CONSULTATION WITH THE**
5 **SECRETARY OF HEALTH AND MENTAL HYGIENE.**

6 10–105.

7 (e) (1) So that the applicant is reasonably familiar with the kind or
8 subdivision of insurance for which the applicant wants to be licensed:

9 (i) the applicant must complete successfully a program of
10 studies that has been established or approved by the Commissioner;

11 (ii) during the 3 years immediately preceding the date of
12 application, the applicant must have been employed regularly for periods totaling at
13 least 1 year:

14 1. by the Administration as an employee or by an
15 insurer or insurance producer; and

16 2. in responsible insurance duties in connection with the
17 kind or subdivision of insurance for which the applicant wants to be licensed; or

18 (iii) during the 3 years immediately preceding the date of
19 entering or immediately after discharge from the armed forces of the United States,
20 the applicant must have been employed regularly for periods totaling at least 1 year:

21 1. by an insurer or insurance producer; and

22 2. in connection with the kind or subdivision of
23 insurance for which the applicant wants to be licensed.

24 (2) In the case of an applicant for a limited lines license to act as an
25 insurance producer for credit life insurance or credit health insurance, the applicant
26 shall successfully complete a program of instruction that is:

27 (i) provided by an insurer that sells, solicits, or negotiates
28 limited line credit insurance; and

1 (ii) approved by the Commissioner.

2 **(3) IN THE CASE OF AN APPLICANT FOR A LICENSE AS AN**
3 **INSURANCE PRODUCER FOR HEALTH INSURANCE, THE PROGRAM OF STUDIES**
4 **REQUIRED UNDER PARAGRAPH (1)(I) OF THIS SUBSECTION SHALL INCLUDE A**
5 **COURSE DESIGNED TO FAMILIARIZE THE APPLICANT WITH PUBLIC HEALTH**
6 **PLANS AVAILABLE TO RESIDENTS OF THE STATE.**

7 10-109.

8 (b) (1) Each individual applicant must pass a personal written
9 examination to determine:

10 (i) the competence of the applicant as to life insurance, health
11 insurance, or annuities or to any subdivision of them, including contracts for nonprofit
12 health service plans, vision plans, dental plan organizations, and health maintenance
13 organizations; [and]

14 (ii) the familiarity of the applicant with the applicable laws of
15 the State; **AND**

16 **(III) THE FAMILIARITY OF THE APPLICANT WITH PUBLIC**
17 **HEALTH PLANS AVAILABLE TO RESIDENTS OF THE STATE.**

18 10-116.

19 (a) (1) Subject to subsections (b) and (c) of this section, the Commissioner
20 shall require an insurance producer to receive continuing education as a condition of
21 renewing the license of the insurance producer.

22 (4) (i) To increase the level of education of insurance producers, an
23 insurance producer shall obtain continuing education in the kind or subdivision of
24 insurance for which the insurance producer has received a license.

25 (ii) **1.** Each insurance producer who possesses a license to
26 sell health insurance and who sells long-term care insurance shall receive continuing
27 education that directly relates to long-term care insurance.

28 **2. EACH INSURANCE PRODUCER WHO POSSESSES A**
29 **LICENSE TO SELL HEALTH INSURANCE SHALL RECEIVE CONTINUING**

1 **EDUCATION THAT DIRECTLY RELATES TO PUBLIC HEALTH PLANS AVAILABLE TO**
2 **RESIDENTS OF THE STATE.**

3 15-1206.

4 **(G) (1) IN THIS SUBSECTION, "PUBLIC HEALTH PLAN" HAS THE**
5 **MEANING STATED IN § 10-101 OF THIS ARTICLE.**

6 **(2) A LICENSED INSURANCE PRODUCER SHALL PROVIDE TO A**
7 **SMALL EMPLOYER INFORMATION ABOUT PUBLIC HEALTH PLANS AVAILABLE TO**
8 **RESIDENTS OF THE STATE.**

9 **(3) THE INFORMATION SHALL BE PROVIDED:**

10 **(I) ON A FORM APPROVED BY THE COMMISSIONER; AND**

11 **(II) AT THE TIME THE SMALL EMPLOYER ENROLLS IN A**
12 **HEALTH BENEFIT PLAN SOLD TO THE SMALL EMPLOYER BY THE LICENSED**
13 **INSURANCE PRODUCER.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
15 read as follows:

16 **Article - Insurance**

17 15-1209.

18 (e) (1) Nothing in this subsection requires a small employer to contribute
19 to the premium payments for coverage of a dependent of an eligible employee.

20 (2) To be covered under a health benefit plan offered by a carrier, a
21 small employer shall:

22 (i) elect to be covered;

23 (ii) agree to pay the premiums;

24 (iii) agree to offer coverage to any dependent of an eligible
25 employee when coverage is sought by the eligible employee, in accordance with
26 provisions governing late enrollees and any other provisions of this subtitle that apply
27 to coverage;

1 (iv) agree to collect payments for premiums through payroll
 2 deductions for coverage of eligible employees and dependents and transmit those
 3 payments to the carrier; and

4 (v) satisfy other reasonable provisions of the health benefit plan
 5 as approved by the Commissioner.

6 **(3) (I) IN THIS PARAGRAPH, "PUBLIC HEALTH PLAN" HAS THE**
 7 **MEANING STATED IN § 10-101 OF THIS ARTICLE.**

8 **(II) IN ADDITION TO THE REQUIREMENTS UNDER**
 9 **PARAGRAPH (2) OF THIS SUBSECTION, TO BE COVERED UNDER A HEALTH**
 10 **BENEFIT PLAN OFFERED BY A CARRIER, A SMALL EMPLOYER SHALL AGREE TO**
 11 **PROVIDE INFORMATION ABOUT PUBLIC HEALTH PLANS AVAILABLE TO**
 12 **RESIDENTS OF THE STATE:**

13 **1. ON A FORM APPROVED BY THE COMMISSIONER;**
 14 **AND**

15 **2. TO ELIGIBLE EMPLOYEES OF THE SMALL**
 16 **EMPLOYER WHO ELECT NOT TO BE COVERED UNDER THE SMALL EMPLOYER'S**
 17 **HEALTH BENEFIT PLAN AND HAVE NO OTHER HEALTH INSURANCE COVERAGE.**

18 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 19 read as follows:

20 **Article - Insurance**

21 15-1209.

22 (c) (1) Nothing in this subsection requires a small employer to contribute
 23 to the premium payments for coverage of a dependent of an eligible employee.

24 (2) To be covered under a health benefit plan offered by a carrier, a
 25 small employer shall:

26 (i) elect to be covered;

27 (ii) agree to pay the premiums;

1 (iii) agree to offer coverage to any dependent of an eligible
2 employee when coverage is sought by the eligible employee, in accordance with
3 provisions governing late enrollees and any other provisions of this subtitle that apply
4 to coverage;

5 (iv) agree to collect payments for premiums through payroll
6 deductions for coverage of eligible employees and dependents and transmit those
7 payments to the carrier; and

8 (v) satisfy other reasonable provisions of the health benefit plan
9 as approved by the Commissioner.

10 **(3) (I) IN THIS PARAGRAPH, "PUBLIC HEALTH PLAN" HAS THE**
11 **MEANING STATED IN § 10-101 OF THIS ARTICLE.**

12 **(II) IN ADDITION TO THE REQUIREMENTS UNDER**
13 **PARAGRAPH (2) OF THIS SUBSECTION, TO BE COVERED UNDER A HEALTH**
14 **BENEFIT PLAN OFFERED BY A CARRIER, A SMALL EMPLOYER SHALL AGREE TO**
15 **PROVIDE INFORMATION ABOUT PUBLIC HEALTH PLANS AVAILABLE TO**
16 **RESIDENTS OF THE STATE:**

17 **1. ON A FORM APPROVED BY THE COMMISSIONER;**
18 **AND**

19 **2. TO ELIGIBLE EMPLOYEES OF THE SMALL**
20 **EMPLOYER WHO ELECT NOT TO BE COVERED UNDER THE SMALL EMPLOYER'S**
21 **HEALTH BENEFIT PLAN AND HAVE NO OTHER HEALTH INSURANCE COVERAGE.**

22 SECTION 4. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
23 take effect on the taking effect of the termination provision specified in Section 5 of
24 Chapter 287 of the Acts of the General Assembly of 2004. If that termination
25 provision takes effect, Section 2 of this Act shall be abrogated and of no further force
26 and effect. This Act may not be interpreted to have any effect on that termination
27 provision.

28 SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions
29 of Section 4 of this Act, this Act shall take effect October 1, 2007.