HOUSE BILL 496

C4 1lr1692
CF SB 255

By: **Delegates A. Kelly, Hammen, and Pendergrass**
Introduced and read first time: February 7, 2011
Assigned to: Health and Government Operations

A BILL ENTITLED

AN ACT concerning

Life Insurance – Definition

FOR the purpose of expanding the definition of "life insurance" to include certain benefits; requiring the Maryland Insurance Administration to conduct a certain analysis and make a certain determination; requiring the Administration to report on certain findings to certain committees of the General Assembly on or before a certain date; and generally relating to life insurance.

BY repealing and reenacting, with amendments,
Article – Insurance
Section 1–101(x)
Annotated Code of Maryland
(2003 Replacement Volume and 2010 Supplement)

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

Article – Insurance

1–101.

(x) (1) "Life insurance" means insurance for which the probabilities of the duration of human life or the rate of mortality are an element or condition of the insurance.

(2) "Life insurance" includes the granting of:

(i) endowment benefits;

(ii) additional benefits in the event of death by accident or accidental means;

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW**.
[Brackets**]** indicate matter deleted from existing law.

(iii) additional disability benefits in the event of dismemberment or loss of sight;

(iv) additional disability benefits that operate to safeguard the contract from lapse or to provide a special surrender value, special benefit, or annuity in the event of total and permanent disability;

(v) benefits that provide payment or reimbursement for long–term home health care, or long–term care in a nursing home or other related institution;

(vi) burial insurance; **[**and**]**

(vii) optional modes of settlement of proceeds of life insurance**;**

(VIII) ADDITIONAL BENEFITS FOR A SECOND OPINION FOR SPECIFIED HEALTH CONDITIONS; AND

(IX) ADDITIONAL BENEFITS THAT PROVIDE A LUMP–SUM BENEFIT FOR A SPECIFIED DISEASE AND THAT MEET THE REQUIREMENTS ESTABLISHED BY THE COMMISSIONER UNDER § 15–109 OF THIS ARTICLE.

(3) "Life insurance" does not include workers' compensation insurance.

SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Insurance Administration shall:

(1) in consultation with the life insurance industry, conduct an analysis of the appropriate scope of health insurance products that may be sold in conjunction with a life insurance policy in light of the expansion of the definition of "life insurance" under Section 1 of this Act and determine any necessary legislative changes; and

(2) on or before December 1, 2011, report on its findings under this section to the Senate Finance Committee and the House Health and Government Operations Committee in accordance with § 2–1246 of the State Government Article.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2011.