

SENATE BILL 255

C4

11r1677
CF 11r1692

By: **Senator Middleton**

Introduced and read first time: January 28, 2011

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Life Insurance – Definition**

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

8 BY repealing and reenacting, with amendments,
9 Article – Insurance
10 Section 1–101(x)
11 Annotated Code of Maryland
12 (2003 Replacement Volume and 2010 Supplement)

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

15 **Article – Insurance**

16 1–101.

17 (x) (1) “Life insurance” means insurance for which the probabilities of the
18 duration of human life or the rate of mortality are an element or condition of the
19 insurance.

20 (2) “Life insurance” includes the granting of:

21 (i) endowment benefits;

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

9 (vi) burial insurance; [and]

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

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

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

16 (3) “Life insurance” does not include workers’ compensation insurance.

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

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

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

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