

**SB0077/467679/1**

BY: Finance Committee

AMENDMENTS TO SENATE BILL 77

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike “Cross-Check” and substitute “Search”; in line 4, strike “or” and substitute a comma; in the same line, after “delivers” insert “, or renews”; in lines 5, 9, and 11, in each instance, strike “cross-check” and substitute “comparison”; in line 11, strike “potential” and substitute “certain”; in line 12, after “holder;” insert “providing that an insurer is not required to perform the comparison for a group life insurance policy unless the insurer provides certain services to the policy holder; authorizing an insurer to disclose certain information to certain persons under certain circumstances;”; in line 16, strike “any provision” and substitute “certain provisions”; in lines 16 and 17, strike “or any regulation adopted under this Act”; in line 18, strike “a”; in the same line, strike “term” and substitute “terms; providing for the application of this Act”; and after line 25, insert:

“BY repealing and reenacting, with amendments,

Article - Insurance

Section 27-303

Annotated Code of Maryland

(2011 Replacement Volume)”.

AMENDMENT NO. 2

On page 2, in line 2, strike beginning with “**IN**” through “**MEANS:**” and substitute “**(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**”; after line 2, insert:

**“(2) “CREDIT LIFE INSURANCE” HAS THE MEANING STATED IN § 13-101 OF THIS ARTICLE.**

(Over)

**(3) “DEATH MASTER FILE” MEANS:”;**

in lines 3 and 5, strike “(1)” and “(2)”, respectively, and substitute “(I)” and “(II)”, respectively; and after line 7, insert:

**“(4) “DEATH MASTER FILE MATCH” MEANS A MATCH, RESULTING FROM A SEARCH OF A DEATH MASTER FILE, OF A SOCIAL SECURITY NUMBER OR A NAME AND DATE OF BIRTH OF AN INDIVIDUAL ON THE DEATH MASTER FILE WITH THE SOCIAL SECURITY NUMBER OR THE NAME AND DATE OF BIRTH OF AN INSURED, ANNUITANT, OR RETAINED ASSET ACCOUNT HOLDER.**

**“(5) “PRE-NEED INSURANCE CONTRACT” MEANS A LIFE INSURANCE POLICY OR CERTIFICATE, ANNUITY CONTRACT, OR OTHER INSURANCE CONTRACT THAT, BY ASSIGNMENT OR OTHERWISE, HAS AS A PURPOSE THE FUNDING OF AN AGREEMENT RELATING TO THE PURCHASE OR PROVISION OF SPECIFIC FUNERAL OR CEMETERY MERCHANDISE OR SERVICES TO BE PROVIDED AT THE TIME OF DEATH OF AN INDIVIDUAL.**

**“(6) “RETAINED ASSET ACCOUNT” HAS THE MEANING STATED IN § 16-117(A) OF THIS ARTICLE.**

**(B) THIS SECTION DOES NOT APPLY TO:**

**(1) AN ANNUITY CONTRACT THAT:**

**(i) IS USED TO FUND AN EMPLOYMENT-BASED RETIREMENT PLAN OR PROGRAM; AND**

(II) DOES NOT REQUIRE THE INSURER UNDER THE ANNUITY CONTRACT TO PAY DEATH BENEFITS TO THE BENEFICIARIES OF SPECIFIC PLAN OR PROGRAM PARTICIPANTS;

(2) A POLICY OR CERTIFICATE OF LIFE INSURANCE THAT PROVIDES A DEATH BENEFIT UNDER:

(I) AN EMPLOYEE BENEFIT PLAN SUBJECT TO THE FEDERAL EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974; OR

(II) ANY FEDERAL EMPLOYEE BENEFIT PROGRAM;

(3) A PRE-NEED INSURANCE CONTRACT;

(4) A POLICY OR CERTIFICATE OF CREDIT LIFE INSURANCE; OR

(5) A POLICY OR CERTIFICATE OF ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE.”.

On page 2, in lines 8 and 24, strike “(B)” and “(C)”, respectively, and substitute “(C)” and “(D)”, respectively; in line 8, strike “OR” and substitute a comma; in the same line, after “DELIVERS” insert “, OR RENEWS”; in lines 10, 16, 24, and 27, strike “CROSS-CHECK” and substitute “COMPARISON”; in lines 13, 14, 26, and 29, in each instance, after “OR” insert “RETAINED ASSET”; in line 18, strike “QUARTERLY” and substitute “SEMIANNUAL”; after line 23, insert:

“(3) FOR A GROUP LIFE INSURANCE POLICY, AN INSURER IS NOT REQUIRED TO PERFORM THE COMPARISON REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION UNLESS THE INSURER PROVIDES FULL RECORD-KEEPING SERVICES TO THE GROUP LIFE INSURANCE POLICY HOLDER.”;

(Over)

in line 25, strike “(B)” and substitute “(C)”; and in the same line, strike “POTENTIAL” and substitute “DEATH MASTER FILE”.

On page 3, in lines 5 and 13, in each instance, after “OR” insert “RETAINED ASSET”; after line 16, insert:

“(3) TO THE EXTENT PERMITTED BY LAW, AN INSURER MAY DISCLOSE THE MINIMUM NECESSARY PERSONAL INFORMATION ABOUT AN INSURED, AN ANNUITANT, A RETAINED ASSET ACCOUNT HOLDER, OR A BENEFICIARY TO A PERSON THAT THE INSURER REASONABLY BELIEVES MAY BE ABLE TO ASSIST THE INSURER IN LOCATING A BENEFICIARY AS REQUIRED UNDER PARAGRAPH (1)(III)1 OF THIS SUBSECTION.”;

in lines 17 and 21, strike “(D)” and “(E)”, respectively, and substitute “(E)” and “(F)”, respectively; in line 17, strike the third “AN” and substitute “A RETAINED ASSET”; and in line 20, strike “(B) AND (C)” and substitute “(C) AND (D)”.

On pages 3 and 4, strike beginning with the comma in line 22 on page 3 down through “ARTICLE” in line 9 on page 4.

On page 4, after line 9, insert:

“27–303.

It is an unfair claim settlement practice and a violation of this subtitle for an insurer or nonprofit health service plan to:

(1) misrepresent pertinent facts or policy provisions that relate to the claim or coverage at issue;

(2) refuse to pay a claim for an arbitrary or capricious reason based on all available information;

(3) attempt to settle a claim based on an application that is altered without notice to, or the knowledge or consent of, the insured;

(4) fail to include with each claim paid to an insured or beneficiary a statement of the coverage under which payment is being made;

(5) fail to settle a claim promptly whenever liability is reasonably clear under one part of a policy, in order to influence settlements under other parts of the policy;

(6) fail to provide promptly on request a reasonable explanation of the basis for a denial of a claim;

(7) fail to meet the requirements of Title 15, Subtitle 10B of this article for preauthorization for a health care service;

(8) fail to comply with the provisions of Title 15, Subtitle 10A of this article; [or]

(9) fail to act in good faith, as defined under § 27-1001 of this title, in settling a first-party claim under a policy of property and casualty insurance; OR

**(10) FAIL TO COMPLY WITH THE PROVISIONS OF § 16-118 OF THIS ARTICLE.**".