

Article - Insurance

[Previous][Next]

§15–201.

(a) A policy of health insurance may not be delivered or issued for delivery in the State unless the policy complies with the provisions of this section and other sections of this article.

(b) Each policy of health insurance shall state explicitly:

(1) any consideration, including the entire amount of money, given for the policy; and

(2) the time when the health insurance takes effect and terminates.

(c) (1) Except as provided in paragraph (2) of this subsection, each policy of health insurance shall purport to insure only one individual.

(2) On application by an adult member of a family, a policy of health insurance may insure, originally or by subsequent amendment:

(i) the applicant, who is deemed the policyholder; and

(ii) two or more eligible members of the policyholder's family, including a spouse, dependent child, any other child under a specified age not exceeding 18 years, and any other individual dependent on the policyholder or any other individual related to and resident in the household of the policyholder.

(d) (1) In this subsection, "text" includes all printed matter of a policy except the name and address of the insurer, name or title of the policy, any brief description, captions, and subcaptions.

(2) The style, arrangement, and overall appearance of a policy may not give undue prominence to any part of the text.

(3) Each printed part of the text and of any endorsements or attached papers shall be printed plainly in lightfaced type:

(i) of a style in general use; and

(ii) in a size that is uniform and not less than 10 point with a lower case unspaced alphabet length not less than 120 point.

(e) (1) The exceptions and reductions of indemnity shall be set forth in the policy.

(2) Other than those contained in §§ 15-207 through 15-226 of this

subtitle, and except as provided in paragraph (3) of this subsection, the exceptions and reductions shall be printed at the insurer's option:

- (i) with the benefit provisions to which they apply; or
- (ii) under an appropriate caption such as "Exceptions" or "Exceptions and Reductions".

(3) If an exception or reduction specifically applies only to a particular benefit of the policy, a statement of the exception or reduction shall be included with the benefit provision to which it applies.

(f) Each form of a policy, including riders and endorsements, shall be identified by a form number in the lower left-hand corner of the first page.

(g) (1) Except as provided in paragraph (2) of this subsection, a policy may not contain a provision that purports to incorporate in the policy a part of the charter, rules, constitution, or bylaws of the insurer unless the part is set forth in full in the policy.

(2) A statement of rates, classification of risks, or short-rate table that is filed with the Commissioner may be referred to or incorporated in the policy without being set forth in full.

(h) (1) Subject to paragraph (2) of this subsection, a notice shall be prominently printed on or attached to the face of the policy that states that:

(i) the policy may be surrendered to the insurer for cancellation within 10 days after the date the policy is delivered to the insured; and

(ii) if a policy is canceled during the 10-day period, a pro rata premium for the unexpired term of the policy shall be returned to the insured.

(2) The insured shall notify the insurer of the cancellation in writing.

(3) The insurer may print or attach the notice required under paragraph (1) of this subsection or a notice of equal prominence that, in the opinion of the Commissioner, is not less favorable to the policyholder.

(i) A policy that is subject to renewal at the option of the insurer shall contain a notice of this provision prominently printed on the first page of the policy.

[Previous][Next]