

HOUSE BILL 803

C4

6lr1473

By: **Delegates Rosenberg, Carter, Kipke, Morhaim, Oaks, West, and K. Young**
Introduced and read first time: February 8, 2016
Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Life Insurance – Freedom to Travel Act**

3 FOR the purpose of prohibiting an insurer from taking certain actions relating to life
4 insurance coverage solely for reasons associated with an applicant's or insured's
5 future lawful travel; establishing a certain exception; requiring an insurer to
6 maintain certain data and documents and to make the data and documents available
7 on request from the Maryland Insurance Commissioner; and generally relating to
8 life insurance and future lawful travel.

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 27–208(a)
12 Annotated Code of Maryland
13 (2011 Replacement Volume and 2015 Supplement)

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

16 **Article – Insurance**

17 27–208.

18 (a) (1) A person may not make or allow unfair discrimination between
19 individuals of the same class and equal expectation of life in:

20 (i) the rates charged for a contract of life insurance or an annuity
21 contract;

22 (ii) the dividends or other benefits payable on a contract of life
23 insurance or an annuity contract; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (iii) any of the other terms or conditions of a contract of life insurance
2 or an annuity contract.

3 (2) (i) Notwithstanding any other provision of this section, an insurer
4 may not make or allow a differential in ratings, premium payments, or dividends for
5 contracts of life insurance or annuity contracts for a reason based on the blindness or other
6 physical handicap or disability of an applicant or policyholder.

7 (ii) Actuarial justification for the differential may be considered for
8 a physical handicap or disability other than blindness or hearing impairment.

9 (3) Unless there is actuarial justification, an insurer may not refuse to
10 insure or make or allow a differential in ratings, premium payments, or dividends in
11 connection with life insurance and annuity contracts solely because the applicant or
12 policyholder has the sickle-cell trait, thalassemia-minor trait, hemoglobin C trait,
13 Tay-Sachs trait, or a genetic trait that is harmless in itself.

14 (4) **[An] WITH RESPECT TO A LIFE INSURANCE CONTRACT, AN** insurer
15 may not refuse to insure, refuse to continue to insure, limit the amount or extent or kind of
16 coverage available to an individual, or charge an individual a different rate for the same
17 coverage solely for reasons associated with an applicant's or insured's past lawful travel
18 experiences.

19 **(5) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
20 **PARAGRAPH, WITH RESPECT TO A LIFE INSURANCE CONTRACT, AN INSURER MAY**
21 **NOT REFUSE TO INSURE, REFUSE TO CONTINUE TO INSURE, LIMIT THE AMOUNT OR**
22 **EXTENT OR KIND OF COVERAGE AVAILABLE TO AN INDIVIDUAL, OR CHARGE AN**
23 **INDIVIDUAL A DIFFERENT RATE FOR THE SAME COVERAGE SOLELY FOR REASONS**
24 **ASSOCIATED WITH AN APPLICANT'S OR INSURED'S FUTURE LAWFUL TRAVEL.**

25 **(II) 1. SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT**
26 **PROHIBIT AN INSURER FROM EXCLUDING OR LIMITING COVERAGE OF SPECIFIC**
27 **FUTURE LAWFUL TRAVEL, OR CHARGING A DIFFERENTIAL RATE FOR SUCH**
28 **COVERAGE, WHEN BONA FIDE DIFFERENCES IN RISK OR EXPOSURE HAVE BEEN**
29 **SUBSTANTIATED BY THE USE OF RELEVANT DATA FROM AT LEAST ONE**
30 **INDEPENDENT RELIABLE SOURCE, INCLUDING STATISTICAL OR OTHER**
31 **MATHEMATICAL ANALYSIS OF AVAILABLE DATA THAT ESTABLISHES A MATERIAL**
32 **VARIATION IN ACTUAL OR REASONABLY ANTICIPATED EXPERIENCE THAT**
33 **CORRELATES TO THE RISK OF SPECIFIC FUTURE LAWFUL TRAVEL.**

34 **2. TRAVEL ADVISORIES ISSUED BY THE UNITED STATES**
35 **DEPARTMENT OF STATE DO NOT QUALIFY AS:**

36 **A. THE SOLE SOURCE OF DATA FOR PURPOSES OF THIS**
37 **SUBPARAGRAPH; OR**

1 **B. A SOURCE OF DATA FOR PURPOSES OF THIS**
2 **SUBPARAGRAPH, IF A UNITED STATES DEPARTMENT OF STATE DESK OFFICER**
3 **STATES THAT TRAVEL TO THE AREA IS SAFE.**

4 **3. AN INSURER SHALL:**

5 **A. MAINTAIN THE DATA AND DOCUMENTS THAT**
6 **SUPPORT THE INSURER'S DETERMINATION THAT BONA FIDE DIFFERENCES IN RISK**
7 **OR EXPOSURE EXIST; AND**

8 **B. MAKE THE DATA AND DOCUMENTS AVAILABLE ON**
9 **REQUEST BY THE COMMISSIONER.**

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2016.