

# SENATE BILL 887

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CF HB 1150

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By: ~~Senator Middleton~~ **Senators Middleton, Astle, Benson, Feldman, Hershey,  
Jennings, Kelley, Klausmeier, Mathias, Pugh, and Reilly**

Introduced and read first time: February 5, 2016

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 10, 2016

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Health Insurance – Consumer Health Claim Filing Fairness Act**

3 FOR the purpose of requiring a certain health benefit plan to include provisions that permit  
4 enrollees a certain minimum period of time to submit a claim for a service, provide  
5 for the suspension of the minimum period of time under certain circumstances, and  
6 provide that failure to submit a claim within the minimum period of time does not  
7 invalidate or reduce the amount of the claim under certain circumstances; creating  
8 an exception to a provision of law that requires certain proof of loss to be furnished  
9 to an insurer in case of claim for loss within a certain period of time; defining certain  
10 terms; providing for the application of this Act; providing for a delayed effective date;  
11 and generally relating to the time period for submitting a claim under health  
12 insurance.

13 BY repealing and reenacting, with amendments,  
14 Article – Insurance  
15 Section 12–102 and 15–213  
16 Annotated Code of Maryland  
17 (2011 Replacement Volume and 2015 Supplement)

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

20 **Article – Insurance**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 12-102.

2 (a) Except as provided in subsection (b)(1) of this section, an insurance contract  
3 or annuity contract shall contain the standard provisions required under this article.

4 (b) (1) The Commissioner may waive the required use of a provision in an  
5 insurance policy or contract form if the Commissioner:

6 (i) finds that the provision is unnecessary to protect the insured or  
7 is inconsistent with the purposes of the policy; and

8 (ii) approves the policy.

9 (2) A required standard provision may not be waived by agreement  
10 between an insurer and another person.

11 (c) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE  
12 MEANINGS INDICATED.

13 (II) "CARRIER" MEANS:

14 1. AN INSURER AUTHORIZED TO SELL HEALTH  
15 INSURANCE;

16 2. A NONPROFIT HEALTH SERVICE PLAN;

17 3. A HEALTH MAINTENANCE ORGANIZATION; OR

18 ~~4. A DENTAL PLAN ORGANIZATION; OR~~

19 ~~5.~~ 4. ANY OTHER ENTITY PROVIDING A PLAN OF HEALTH  
20 INSURANCE, HEALTH BENEFITS, OR HEALTH SERVICES AUTHORIZED UNDER THIS  
21 ARTICLE OR THE AFFORDABLE CARE ACT.

22 (III) "ENROLLEE" MEANS AN INDIVIDUAL ENTITLED TO  
23 BENEFITS FROM A CARRIER'S HEALTH BENEFIT PLAN.

24 (IV) "HEALTH BENEFIT PLAN" HAS THE MEANING STATED IN §  
25 ~~15-140~~ 15-1301 OF THIS ARTICLE.

26 (2) EACH HEALTH BENEFIT PLAN ISSUED BY A CARRIER SHALL  
27 INCLUDE PROVISIONS THAT:

28 (I) PERMIT ENROLLEES A MINIMUM OF 1 YEAR AFTER THE  
29 DATE OF SERVICE TO SUBMIT A CLAIM FOR THE SERVICE;

1 (II) PROVIDE THAT:

2 1. AN ENROLLEE'S LEGAL INCAPACITY SHALL SUSPEND  
3 THE TIME TO SUBMIT A CLAIM; AND

4 2. THE SUSPENSION PERIOD ENDS WHEN LEGAL  
5 CAPACITY IS REGAINED; AND

6 (III) PROVIDE THAT THE FAILURE TO SUBMIT A CLAIM WITHIN 1  
7 YEAR AFTER THE DATE OF SERVICE DOES NOT INVALIDATE OR REDUCE THE AMOUNT  
8 OF THE CLAIM IF:

9 1. ~~THE DELAY WAS NOT UNREASONABLE IT WAS NOT~~  
10 REASONABLY POSSIBLE TO SUBMIT THE CLAIM WITHIN 1 YEAR AFTER THE DATE OF  
11 SERVICE; AND

12 2. THE CLAIM IS SUBMITTED WITHIN 2 YEARS AFTER THE  
13 DATE OF SERVICE.

14 [(c)] (D) The Commissioner may approve a substitute provision in an insurance  
15 policy or annuity contract if the provision is not less favorable than the required provision  
16 to the insured, annuitant, or beneficiary.

17 [(d)] (E) Instead of a provision required by this article, a foreign insurer or alien  
18 insurer may use a substantially similar provision required by the law of the foreign  
19 insurer's or alien insurer's domicile if the substantially similar provision does not conflict  
20 with the law of this State.

21 [(e)] (F) A policy or contract may not contain a provision that is inconsistent  
22 with a standard provision used or required to be used.

23 15-213.

24 [Each] EXCEPT AS PROVIDED IN § 12-102(C) OF THIS ARTICLE, EACH policy of  
25 health insurance shall contain the following provision:

26 "Proofs of loss: Written proof of loss must be furnished to the insurer at its said office  
27 in case of claim for loss for which this policy provides any periodic payment contingent upon  
28 continuing loss within ninety (90) days after the termination of the period for which the  
29 insurer is liable and in case of claim for any other loss within ninety (90) days after the  
30 date of such loss. Failure to furnish such proof within the time required shall not invalidate  
31 nor reduce any claim if it was not reasonably possible to give proof within such time,  
32 provided such proof is furnished as soon as reasonably possible and in no event, except in  
33 the absence of legal capacity, later than one (1) year from the time proof is otherwise  
34 required."

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1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all  
2 health benefit plans issued, delivered, or renewed in the State on or after January 1, 2017.

3           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 January 1, 2017.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.