

Chapter 123

**(House Bill 803)**

AN ACT concerning

**Life Insurance – Freedom to Travel Act**

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

BY repealing and reenacting, with amendments,

Article – Insurance

Section 27–208(a)

Annotated Code of Maryland

(2011 Replacement Volume and 2015 Supplement)

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

**Article – Insurance**

27–208.

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

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

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

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

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

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

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

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

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

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

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

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

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

**3. AN INSURER SHALL:**

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

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

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

**Approved by the Governor, April 12, 2016.**