C4 7lr1857 CF 7lr3178

By: Senators Feldman and Hershey

Introduced and read first time: January 26, 2017

Assigned to: Finance

A BILL ENTITLED

1	AN ACT concerning
2 3	Insurance – Surplus Lines – Short–Term Medical Insurance – Procurement From Nonadmitted Insurer
4	FOR the purpose of altering the scope of certain provisions of law governing surplus lines
5	insurance as the provisions relate to short-term medical insurance; altering the
6	conditions under which short-term medical insurance may be procured from a
7	nonadmitted insurer; providing for the application of this Act; and generally relating
8	to surplus lines insurance and the procurement of short-term medical insurance
9	from a nonadmitted insurer.
10	BY repealing and reenacting, without amendments,
11	Article – Insurance
12	Section 3–301(a), (c), and (g)
13	Annotated Code of Maryland
14	(2011 Replacement Volume and 2016 Supplement)
15	BY repealing and reenacting, with amendments,
16	Article – Insurance
17	Section 3–302(c) and 3–306.2(c)
18	Annotated Code of Maryland
19	(2011 Replacement Volume and 2016 Supplement)
20	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21	That the Laws of Maryland read as follows:
22	Article – Insurance
23	3–301.

In this subtitle the following words have the meanings indicated.

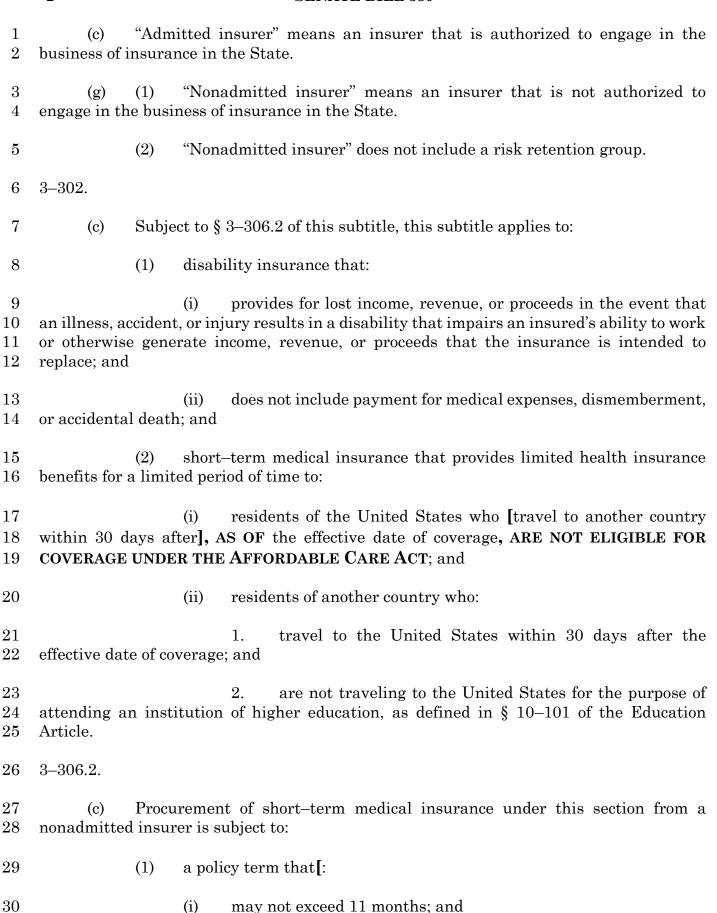
EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

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(a)





$\frac{1}{2}$	(ii) may not be extended or renewed] IS LESS THAN 3 MONTHS AFTER THE ORIGINAL DATE OF THE SHORT-TERM MEDICAL INSURANCE POLICY;
3 4	(2) the provision of written notice to the applicant, on a form approved by the Commissioner:
5 6 7 8 9	(i) stating [that coverage may be available under the Affordable Care Act without medical underwriting] "THIS IS NOT QUALIFYING HEALTH COVERAGE ("MINIMUM ESSENTIAL COVERAGE") THAT SATISFIES THE HEALTH COVERAGE REQUIREMENT OF THE AFFORDABLE CARE ACT. IF YOU DO NOT HAVE MINIMUM ESSENTIAL COVERAGE, YOU MAY OWE AN ADDITIONAL PAYMENT ON YOUR TAXES.";
10 11	(ii) providing contact information for the Maryland Health Benefit Exchange;
12 13	(iii) stating that the short–term medical insurance may be available from an admitted insurer; $\boldsymbol{A}\boldsymbol{N}\boldsymbol{D}$
14 15	(iv) stating that similar coverage may be available from an admitted insurer offering travel insurance, as defined in § 10–101 of this article[; and
16	(v) stating that:
17 18	1. the short–term medical insurance does not meet the requirements for minimum essential coverage under the Affordable Care Act; and
19 20	2. a purchaser of the short-term medical insurance may be subject to tax penalties for not having minimum essential coverage];
21 22	(3) the diligent search requirements of $\S\S\ 3-306$ and $3-306.1$ of this subtitle; and
23	(4) all other requirements of this subtitle.
24 25 26	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all policies and contracts of surplus lines insurance for short—term medical insurance issued, delivered, or renewed in the State on or after October 1, 2017.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect

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October 1, 2017.