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Date: **March 25, 2025**

Bill # / Title: **House Bill 1007 - Disability and Life Insurance - Medical Information (Genetic Testing Protection Act)**

Committee: **Senate Finance Committee**

Position: **Letter of Information**

The Maryland Insurance Administration (MIA) appreciates the opportunity to provide information regarding House Bill 1007.

If enacted, House Bill 1007 will place certain prohibitions on the use of genetic testing by carriers offering life insurance and disability insurance.

In 2009, the MIA convened a workgroup on genetic testing in life and disability income (DI) insurance which recommended that the General Assembly amend Maryland statutes to permit insurers to use genetic information when underwriting life and DI insurance, but prohibit insurers from requiring an applicant to undergo a genetic test. To date, the statutes concerning this have not been amended.

The MIA understands that there have been concerns raised by the insurance industry about the impact of this legislation on the pricing and fairness in rating for these products that could result should this legislation pass. Although House Bill 1007 provides that carriers may consider an enrollee's medical diagnosis, even if it is based on a genetic test, the bill has been amended to further clarify the conditions under which a carrier may use genetic testing to underwrite life or disability insurance.

The amended language specifies that carriers cannot use genetic testing as the basis to discriminate against individuals unless there is a relationship between the medical information that would be obtained from the test and the cost of the insurance risk to the carrier. Furthermore, the amended language allows carriers to demonstrate the relationship by relying on "actuarially sound principles" or "actual or reasonably anticipated experience." The bill also codifies privacy protections for patients by clarifying that a carrier may not access sensitive medical information, including an individual's genetic data without first obtaining their written and signed content. It also clarifies that a carrier may not mandate genetic testing or full genome sequencing as a prerequisite for issuing life or disability insurance and forbids applicants, carriers, or contract

holders from waiving this provision under any circumstances. Finally, the bill codifies the authority of the Maryland Insurance Commissioner to enforce these provisions.

Concerning technical issues, a minor issue arises from the confusion the proposed bill language creates as to the limitation of the carriers to whom the bill applies. The bill includes a definition of “insurance carriers” and then indicates that it “applies only to life insurance and disability insurance policies or contracts” and prohibits certain actions by “insurance carriers that offer, issue, or deliver a life insurance or disability insurance policy.” The MIA recommends instead limiting the scope of the bill to simply indicate that the term “carrier” means an insurance carrier that offers, issues, or delivers a life insurance or a disability insurance policy.

Finally, while Section 2 of the bill indicates that the Act takes effect on October 1, 2025, the bill is missing the standard applicability effective date clause, which would indicate that the bill applies to policies and contracts issued in the State on or after a specified date.

Thank you for the opportunity to provide this letter of information. The MIA is available to provide additional information and assistance to the Committee.