
By: Delegates Krysiak and Goldwater

Requested: June 21, 1995

Introduced and read first time: January 10, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance - Unfair Trade Practices - Discrimination Based on Domestic Violence**

3 FOR the purpose of prohibiting insurers, nonprofit health service plans, and health
4 maintenance organizations from taking certain actions or engaging uncertain
5 practices related to underwriting, issuance or renewal of, or payment of claims on
6 life or health insurance policies or health benefit plans based on certain information
7 related to domestic violence; establishing immunity from certain actions for insurers
8 under certain circumstances; defining certain terms; granting certain powers to the
9 Insurance Commissioner; and generally relating to a prohibition against
10 discrimination by certain entities based on domestic violence.

11 BY repealing and reenacting, with amendments,
12 Article 48A - Insurance Code
13 Section 234C
14 Annotated Code of Maryland
15 (1994 Replacement Volume and 1995 Supplement)

16 BY adding to
17 Article 48A - Insurance Code
18 Section 234D
19 Annotated Code of Maryland
20 (1994 Replacement Volume and 1995 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article - Health - General
23 Section 19-706(g)
24 Annotated Code of Maryland
25 (1990 Replacement Volume and 1995 Supplement)

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

2

1 **Article 48A - Insurance Code**

2 234C.

3 If the Commissioner in a specific instance shall make a finding that an insurer has
4 violated [§ 234A or § 234B,] § 234A, § 234B, OR § 234D, he may, in addition to the exercise
5 of any power granted elsewhere in this article, order the insurer to accept the risk, or
6 accept the business, as the case may be. All hearings and proceedings conducted under
7 this section and §§ 234A [and 234B], 234B, AND 234D of this article, as well as any
8 decision of the Commissioner, shall be subject to appeal by any party involved; said
9 hearings, proceedings, and appeal shall be in accordance with the provisions of § 40 of
10 this article.

11 234D.

12 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
13 INDICATED.

14 (2) "ABUSE" HAS THE MEANING STATED IN § 4-501 OF THE FAMILY LAW
15 ARTICLE.

16 (3) "VICTIM OF DOMESTIC VIOLENCE" HAS THE MEANING STATED IN §
17 4-513 OF THE FAMILY LAW ARTICLE.

18 (B) IF AN INDIVIDUAL IS OR MAY BE A VICTIM OF DOMESTIC VIOLENCE OR
19 SUBJECT TO ABUSE, AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH
20 MAINTENANCE ORGANIZATION MAY NOT USE INFORMATION ABOUT ABUSE OR THE
21 INDIVIDUAL'S STATUS AS A VICTIM OF DOMESTIC VIOLENCE TO:

22 (1) CANCEL, REFUSE TO UNDERWRITE OR RENEW, OR REFUSE TO ISSUE
23 A POLICY OF LIFE INSURANCE OR HEALTH INSURANCE OR A HEALTH BENEFITS
24 PLAN;

25 (2) REFUSE TO PAY A CLAIM, CANCEL, OR OTHERWISE TERMINATE A
26 POLICY OF LIFE INSURANCE OR HEALTH INSURANCE OR A HEALTH BENEFITS PLAN;

27 (3) INCREASE RATES FOR LIFE INSURANCE, HEALTH INSURANCE, OR A
28 HEALTH BENEFITS PLAN; OR

29 (4) ADD A SURCHARGE, APPLY A RATING FACTOR, OR USE ANY OTHER
30 UNDERWRITING PRACTICE THAT ADVERSELY TAKES INTO ACCOUNT THE
31 INFORMATION.

32 (C) AN INSURER IS NOT SUBJECT TO CIVIL LIABILITY FOR ANY CAUSE OF
33 ACTION ARISING FROM INJURY TO OR DEATH OF AN INDIVIDUAL FOR WHOM A LIFE
34 INSURANCE POLICY IS ISSUED AND WHO SUBSEQUENTLY SUFFERS DOMESTIC
35 VIOLENCE OR ABUSE OR WHO DIES AS A RESULT OF DOMESTIC VIOLENCE OR
36 ABUSE.

37 (D) THIS SECTION DOES NOT REQUIRE AN INSURER TO MAKE A PAYMENT
38 FOR ANY LOSS UNDER A LIFE INSURANCE POLICY THAT WOULD DIRECTLY BENEFIT
39 A PERSON WHO WILLFULLY CAUSED AN INJURY THAT GAVE RISE TO THE LOSS.

3

1 **Article - Health - General**

2 19-706.

3 (g) The provisions of Article 48A,[§ 230A] §§ 230A AND 234D of the Code shall
4 apply to health maintenance organizations.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 1996.