

(PRE-FILED)

CF 6lr0749

By: ~~Delegates Krysiak and Goldwater~~, Goldwater, Bonsack, Conroy, Cryor, Dembrow, Doory, Donoghue, Dypski, Faulkner, Finifter, Frank, Grosfeld, Harrison, Hammen, Healey, Hixson, Kagan, Kopp, McIntosh, Love, Montague, Preis, Nathan-Pulliam, Parker, Rosenberg, Stup, Workman, Hurson, Barve, Eckardt, and Boston

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Recommitted to: Economic Matters, February 20, 1996

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 28, 1996

CHAPTER ____

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; providing for the construction
9 of certain provisions of this Act; granting certain powers to the Insurance
10 Commissioner; and generally relating to a prohibition against discrimination by
11 certain entities based on domestic violence.

12 BY repealing and reenacting, with amendments,

13 Article 48A - Insurance Code

14 Section 234C

15 Annotated Code of Maryland

16 (1994 Replacement Volume and 1995 Supplement)

17 BY adding to

18 Article 48A - Insurance Code

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1 Section 234D
2 Annotated Code of Maryland
3 (1994 Replacement Volume and 1995 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article - Health - General
6 Section 19-706(g)
7 Annotated Code of Maryland
8 (1990 Replacement Volume and 1995 Supplement)

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

11 **Article 48A - Insurance Code**

12 234C.

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

21 234D.

22 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
23 INDICATED.

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

26 (3) "VICTIM OF DOMESTIC VIOLENCE" HAS THE MEANING STATED IN §
27 4-513 OF THE FAMILY LAW ARTICLE.

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

32 (1) CANCEL, REFUSE TO UNDERWRITE OR RENEW, OR REFUSE TO ISSUE
33 A POLICY OF LIFE INSURANCE OR HEALTH INSURANCE OR A HEALTH BENEFITS
34 PLAN;

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

37 (3) INCREASE RATES FOR LIFE INSURANCE, HEALTH INSURANCE, OR A
38 HEALTH BENEFITS PLAN; OR

3

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

4 (C) AN INSURER IS NOT SUBJECT TO CIVIL LIABILITY FOR ANY TORT CAUSE
5 OF ACTION ARISING FROM INJURY TO OR DEATH OF AN INDIVIDUAL FOR WHOM A
6 LIFE INSURANCE POLICY IS ISSUED AND WHO SUBSEQUENTLY SUFFERS DOMESTIC
7 VIOLENCE OR ABUSE OR WHO DIES AS A RESULT OF DOMESTIC VIOLENCE OR
8 ABUSE.

9 (D) THIS SECTION MAY NOT BE INTERPRETED TO PRECLUDE AN INSURER
10 FROM USING MENTAL OR PHYSICAL MEDICAL CONDITIONS, REGARDLESS OF CAUSE,
11 IN DETERMINING THE ELIGIBILITY, RATE, OR UNDERWRITING CLASSIFICATION OF
12 THE APPLICANT OR INSURED.

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

16 **Article - Health - General**

17 19-706.

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

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