

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 477

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, after “insurer” insert “; specifying certain requirements of a certain kind of life insurance policy; providing that a life insurance policy may include the granting of a benefit that provides an option to obtain a student loan; requiring the Insurance Commissioner to submit a certain report to certain persons by a certain date; and generally relating to allowing certain persons, under certain circumstances, to purchase a life insurance policy that permits certain related persons to obtain a student loan”; after line 5, insert:

“BY repealing and reenacting, with amendments,

Article 48A - Insurance Code

Section 63(2)

Annotated Code of Maryland

(1994 Replacement Volume and 1996 Supplement)”;

and after line 10, insert:

“BY repealing and reenacting, with amendments,

Article - Insurance

Section 1-101(x)(2)

Annotated Code of Maryland

(1995 Volume and 1996 Supplement)

(As enacted by Chapter 36 of the Acts of the General Assembly of 1995)”.

AMENDMENT NO. 2

On page 1, after line 19, insert:

“63.

(Over)

(2) "Life insurance" includes the granting of:

(i) Endowment benefits;

(ii) Additional benefits in the event of death by accident or accidental means;

(iii) Additional disability benefits in the event of dismemberment or loss of sight;

(iv) Additional disability benefits operating to safeguard the contract from lapse, or to provide a special surrender value, or special benefit, or annuity, in the event of total and permanent disability;

(v) Benefits that provide reimbursement or payment for:

1. Long-term home health care; and

2. Long-term care in a nursing home or other related institution;

(vi) Optional modes of settlement of proceeds of life insurance; [and]

(vii) Burial insurance; AND

(VIII) A BENEFIT THAT PROVIDES AN OPTION TO OBTAIN A STUDENT LOAN."

On page 2, after line 25, insert:

"1-101.

(x) (2) "Life insurance" includes the granting of:

(i) endowment benefits;

(ii) additional benefits in the event of death by accidental means;

(iii) additional disability benefits in the event of dismemberment or loss of

sight;

(iv) additional disability benefits that:

1. safeguard the insurance contract from lapse; or
2. provide a special surrender value, special benefit, or annuity, in the event of total and permanent disability;

(v) benefits that provide payment or reimbursement for:

1. long-term home health care; or
2. long-term care in a nursing home or other related institution;

(vi) benefits for burial; [and]

(vii) optional modes of settlement of proceeds of life insurance; AND

(VIII) A BENEFIT THAT PROVIDES AN OPTION TO OBTAIN A STUDENT LOAN.”.

AMENDMENT NO. 3

On page 2, strike in their entirety lines 18 through 20, inclusive, and on page 3, strike in their entirety lines 11 through 13, inclusive, and, in each instance, substitute:

“(IV) THE MARKETING MATERIALS RELATING TO THE STUDENT LOAN OPTION:

1. ARE APPROVED BY THE COMMISSIONER PRIOR TO THEIR FIRST USE IN THE STATE; AND

2. CLEARLY STATE THAT THE STUDENT LOAN IS NOT

(Over)

GUARANTEED BY THE FEDERAL OR STATE GOVERNMENT OR MADE IN ACCORDANCE WITH ANY FEDERAL OR STATE STUDENT LOAN PROGRAM;

(V) THE TERMS AND CONDITIONS OF THE STUDENT LOAN ARE COMMERCIALY REASONABLE AND FULLY COMPLY WITH ALL FEDERAL AND STATE LAWS THAT GOVERN STUDENT LOANS;

(VI) THE STUDENT LOAN IS NOT GUARANTEED BY THE FEDERAL OR STATE GOVERNMENT OR MADE IN ACCORDANCE WITH ANY FEDERAL OR STATE PROGRAM; AND”.

On page 2 in line 21 and on page 3 in line 14, in each instance, strike “(V)” and substitute “(VII)”.

AMENDMENT NO. 4

On page 3, after line 20, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That, on or before October 1, 2000, the Insurance Commissioner shall submit a report to the Senate Finance Committee and the House Economic Matters Committee concerning the number of companies that have filed for use in the State a life insurance policy with a student loan option and the number and nature of complaints, if any, filed with the Insurance Commissioner in regard to such a policy.”;

and in lines 21 and 23, strike “3.” and “4.”, respectively, and substitute “4.” and “5.”, respectively.