

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 461

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 18, strike “and 17-206” and substitute “17-206, and 17-312”; and in line 23, strike “and 17-209” and substitute “17-209, and 17-304”.

AMENDMENT NO. 2

On page 4, in line 14, after “EMPLOYER,” insert “IN”; in the same line, after “WHICH” insert “THE”; in line 25, strike the second “IF” and substitute “OF”.

On page 8, in line 35, strike “PROPRIETORSHIP” and substitute “PROPRIETOR”.

On page 16, in line 10, strike “(2)” and “(3)”, respectively, and substitute “(1)” and “(2)”, respectively.

AMENDMENT NO. 3

On page 2, after line 32, insert:

“(D) AN INSURER WHO SEEKS TO SOLICIT COVERAGE FROM MARYLAND RESIDENTS UNDER A GROUP LIFE INSURANCE POLICY ISSUED IN ANOTHER JURISDICTION SHALL INCLUDE IN THE CERTIFICATE FORM USED IN CONNECTION WITH THE COVERAGE A NOTICE ON THE FIRST PAGE IN 12-POINT BOLD TYPE THAT STATES:

“THE GROUP INSURANCE POLICY PROVIDING COVERAGE UNDER THIS CERTIFICATE WAS ISSUED IN A JURISDICTION OTHER THAN MARYLAND AND MAY NOT PROVIDE ALL OF THE BENEFITS REQUIRED BY MARYLAND LAW.”“.

On page 19, in line 1, strike “minor” and substitute “DEPENDENT”.

(Over)

AMENDMENT NO. 4

On page 19, after line 32, insert:

“17-304.

Each policy of group life insurance shall contain a provision that:

(1) requires a copy of any application of the policyholder to be attached to the policy when issued;

(2) the statements made by the policyholder or the insured are considered representations and not warranties; and

(3) a statement made by an insured may not be used in a contest unless a copy of the instrument that contains the statement is provided to the insured or, IN THE EVENT OF DEATH OR INCAPACITY OF THE INSURED, to the insured's beneficiary.

17-312.

(A) IF ANY INDIVIDUAL INSURED UNDER A GROUP LIFE INSURANCE POLICY DELIVERED IN THIS STATE BECOMES ENTITLED UNDER THE TERMS OF THE POLICY TO HAVE AN INDIVIDUAL POLICY OF LIFE INSURANCE ISSUED WITHOUT EVIDENCE OF INSURABILITY, SUBJECT TO MAKING OF APPLICATION AND PAYMENT OF THE FIRST PREMIUM WITHIN THE PERIOD SPECIFIED IN THE POLICY, AND IF THE INDIVIDUAL IS NOT GIVEN NOTICE OF THE EXISTENCE OF THE RIGHT AT LEAST 15 DAYS PRIOR TO THE EXPIRATION DATE OF THE PERIOD , THEN IN THAT EVENT THE INDIVIDUAL SHALL HAVE AN ADDITIONAL PERIOD WITHIN WHICH TO EXERCISE THE RIGHT, BUT THIS SECTION MAY NOT BE CONSTRUED TO CONTINUE ANY INSURANCE BEYOND THE PERIOD PROVIDED IN THE POLICY.

(B) THIS ADDITIONAL PERIOD SHALL EXPIRE 15 DAYS AFTER THE INDIVIDUAL IS GIVEN THE NOTICE BUT IN NO EVENT SHALL THE ADDITIONAL PERIOD EXTEND BEYOND 60 DAYS AFTER THE EXPIRATION DATE OF THE PERIOD PROVIDED IN THE POLICY. WRITTEN NOTICE PRESENTED TO THE INSURER TO THE LAST KNOWN ADDRESS OF THE INDIVIDUAL OR MAILED BY THE INSURER TO THE LAST KNOWN

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ADDRESS OF THE INDIVIDUAL AS FURNISHED BY THE POLICYHOLDER SHALL
CONSTITUTE NOTICE FOR THE PURPOSE OF THIS PARAGRAPH.”.