
By: **Senators Stone and Astle**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 12, 1999

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Life Insurance - Cancellation of Policy**

3 FOR the purpose of prohibiting an insurer from canceling a policy of life insurance for
4 nonpayment of premiums if the policyholder is a certain age under certain
5 circumstances; requiring the insurer to give the holder certain notice under
6 certain circumstances; allowing the holder to make certain missed premium
7 payments within a certain period of time; prohibiting the insurer from requiring
8 certain additional medical information to keep the policy in effect; and generally
9 relating to cancellation of policies of life insurance.

10 BY adding to

11 Article - Insurance

12 Section 27-912

13 Annotated Code of Maryland

14 (1997 Volume and 1998 Supplement)

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

17 **Article - Insurance**

18 27-912.

19 (A) IF THE HOLDER OF A POLICY OF LIFE INSURANCE IS AT LEAST 70 YEARS
20 OLD, AN INSURER MAY NOT CANCEL THE POLICY FOR NONPAYMENT OF PREMIUMS
21 UNLESS THE INSURER COMPLIES WITH THIS SECTION.

22 (B) IF THE HOLDER OF THE POLICY OF LIFE INSURANCE FAILS TO MAKE SIX
23 PREMIUM PAYMENTS, THE INSURER SHALL GIVE THE HOLDER WRITTEN NOTICE
24 THAT:

25 (1) THE HOLDER HAS FAILED TO MAKE SIX PREMIUM PAYMENTS; AND

1 (2) UNLESS THE HOLDER MAKES THE MISSED PREMIUM PAYMENTS
2 WITHIN 4 MONTHS AFTER THE DATE OF RECEIPT OF THE NOTICE, THE INSURER WILL
3 CANCEL THE POLICY.

4 (C) THE INSURER MAY NOT:

5 (1) CANCEL THE POLICY OF LIFE INSURANCE IF THE HOLDER MAKES
6 THE MISSED PREMIUM PAYMENTS WITHIN 4 MONTHS AFTER THE DATE OF RECEIPT
7 OF THE NOTICE; OR

8 (2) REQUIRE THE HOLDER TO PROVIDE ANY ADDITIONAL MEDICAL
9 REPORTS OR TO SUBMIT TO A PHYSICAL TO KEEP THE POLICY IN EFFECT.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 1999.