

SENATE BILL 132

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By: **Chairman, Finance Committee (Departmental - Insurance
Administration, Maryland)**

Introduced and read first time: January 17, 2001

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 20, 2001

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - Standard Provisions**

3 FOR the purpose of repealing certain standard provisions allowed in certain
4 individual health insurance contracts; making certain technical changes;
5 providing for a delayed effective date; and generally relating to certain policy
6 provisions in individual health insurance contracts.

7 BY repealing and reenacting, without amendments,
8 Article - Insurance
9 Section 12-203(g) and 15-201(e)(3)
10 Annotated Code of Maryland
11 (1997 Volume and 2000 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article - Insurance
14 Section 15-201(e)(2), 15-202(a), and 15-1103(b)
15 Annotated Code of Maryland
16 (1997 Volume and 2000 Supplement)

17 BY repealing
18 Article - Insurance
19 Section 15-227 and 15-228
20 Annotated Code of Maryland
21 (1997 Volume and 2000 Supplement)

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

3 **Article - Insurance**

4 12-203.

5 (g) By regulation, the Commissioner shall adopt the language and format for
6 standard provisions required under § 12-102(a) of this title for contracts and policies
7 issued by insurers, nonprofit health service plans, and health maintenance
8 organizations.

9 15-201.

10 (e) (2) Other than those contained in §§ 15-207 through [15-228] 15-226 of
11 this subtitle, and except as provided in paragraph (3) of this subsection, the
12 exceptions and reductions shall be printed at the insurer's option:

13 (i) with the benefit provisions to which they apply; or

14 (ii) under an appropriate caption such as "Exceptions" or
15 "Exceptions and Reductions".

16 (3) If an exception or reduction specifically applies only to a particular
17 benefit of the policy, a statement of the exception or reduction shall be included with
18 the benefit provision to which it applies.

19 15-202.

20 (a) Except as otherwise provided in this section, each policy of health
21 insurance that is delivered or issued for delivery in the State:

22 (1) shall contain the exact language of each provision that is required
23 under §§ 15-207 through 15-218 of this subtitle and any optional provision in §§
24 15-207 through [15-228] 15-226 of this subtitle that is used; and

25 (2) shall contain each mandatory provision and any optional provision
26 that is used:

27 (i) in the order in which those provisions appear in this subtitle; or

28 (ii) as individual items in any part of the policy with other
29 provisions to which they may be logically related, if the resulting policy is not wholly
30 or partly unintelligible, uncertain, or likely to mislead a person to whom the policy is
31 offered, delivered, or issued.

32 [15-227.

33 A policy of health insurance may contain the following provision:

1 "Illegal occupation: The insurer shall not be liable for any loss to which a
2 contributing cause was the insured's commission of or attempt to commit a felony or
3 to which a contributing cause was the insured's being engaged in an illegal
4 occupation."]

5 [15-228.

6 A policy of health insurance may contain the following provision:

7 "Intoxicants and narcotics: The insurer shall not be liable for any loss sustained
8 or contracted in consequence of the insured's being intoxicated or under the influence
9 of any narcotic unless administered on the advice of a physician."]

10 15-1103.

11 (b) A transportation ticket policy may not be issued or delivered in the State
12 unless it conforms to the requirements and provisions of §§ 15-102, 15-201, 15-202,
13 15-203, 15-205, and 15-207 through [15-228] 15-226 of this title, subject to §
14 15-202(c) of this title that relates to inapplicable or inconsistent provisions.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
16 effect January 1, 2002.