

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 127 (Delegate Hammen)

Health and Government Operations

Finance

**Nonprofit Health Service Plans and Health Maintenance Organizations -
Underwriting Standards**

This bill requires, at the request of the Insurance Commissioner, a nonprofit health service plan or HMO (carrier) to file a copy of its underwriting standards, including any amendments or supplements, with the Commissioner. A carrier may request that its underwriting standards be considered confidential commercial information.

Fiscal Summary

State Effect: The Maryland Insurance Administration could review any additional underwriting standards with existing resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: An insurer may not cancel or refuse to underwrite or renew a particular insurance risk or class of risk for a reason based wholly or partly on race, color, creed, sex, or blindness of an applicant or policyholder, or for any arbitrary, capricious, or unfairly discriminatory reason. A health, life, disability, property, or casualty insurer must file a copy of its underwriting standards with the Insurance Commissioner, at the Commissioner's request. The Commissioner may review and examine the underwriting standards to ensure compliance with the discrimination provisions. These requirements do not currently apply to nonprofit health service plans or HMOs.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene (Medicaid, Maryland Health Care Commission), Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - January 23, 2004
ncs/jr

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