

**Department of Legislative Services**  
Maryland General Assembly  
2006 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 534

(Senator Hollinger)

Education, Health, & Environ. Affairs & Finance

Health & Government Operations

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**Act of Terrorism - Determination Whether Criminal Act or Act of War**

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This bill specifies that within 30 days after an act of terrorism takes place, the Governor, in consultation with the Secretary of Health and Mental Hygiene, the Maryland Insurance Commissioner, and the Adjutant General, shall determine whether the act of terrorism is a criminal act or an act of war for the purposes of health insurance coverage.

The bill defines an “act or war” as an act occurring in the course of: (1) a declared war; (2) an armed conflict, whether or not war has been declared, between two or more nations; or (3) an armed conflict between military forces of any origin.

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**Fiscal Summary**

**State Effect:** Because it is assumed that this bill would apply in a limited number of cases, State finances should not be materially affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** None applicable.

**Background:** Historically, health insurance policies have not covered injuries or illnesses that result from an act of war. After the terrorist attacks on September 11, 2001, all types of insurance coverage came under scrutiny, from property and casualty

insurance to life and health insurance. If the act-of-war exclusion clause of an insurance contract is invoked, the insurance company can refuse to pay benefits for medical bills.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Governor's Office, Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - February 21, 2006  
ncs/jr Revised - Senate Third Reader - March 27, 2006

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