

HOUSE BILL 788

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71r1420

By: **Delegates Nathan-Pulliam, Benson, Cane, Conaway, Gaines, Glenn, Gutierrez, Kipke, Lee, Montgomery, Oaks, Pena-Melnyk, and Tarrant**

Introduced and read first time: February 9, 2007

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2007

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance – Collection of Racial and Ethnic Data – Nondiscrimination**

3 FOR the purpose of authorizing certain entities that provide health insurance to make
4 an inquiry about race and ethnicity under certain circumstances, and subject to
5 certain limitations; prohibiting the use of certain racial or ethnic information to
6 deny or otherwise affect a health insurance policy or contract; ~~providing that the~~
7 ~~provisions of certain insurance laws apply~~ making certain provisions of law
8 applicable to health maintenance organizations; and generally relating to the
9 collection and use of racial and ethnic data by ~~health insurers~~ insurers that
10 provide health insurance.

11 BY adding to

12 Article – Health – General

13 Section 19–706(jjj)

14 Annotated Code of Maryland

15 (2005 Replacement Volume and 2006 Supplement)

16 BY repealing and reenacting, without amendments,

17 Article – Insurance

18 Section 27–501(a) and (b)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland
2 (2006 Replacement Volume and 2006 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article – Insurance
5 Section 27–501(c)
6 Annotated Code of Maryland
7 (2006 Replacement Volume and 2006 Supplement)

8 BY adding to
9 Article – Insurance
10 Section 27–914
11 Annotated Code of Maryland
12 (2006 Replacement Volume and 2006 Supplement)

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

15 **Article – Health – General**

16 19–706.

17 **(JJJ) (1) THE PROVISIONS OF § 27–914 OF THE INSURANCE ARTICLE**
18 **APPLY TO HEALTH MAINTENANCE ORGANIZATIONS.**

19 ~~**(2) FOR PURPOSES OF § 27–914(C) OF THE INSURANCE ARTICLE,**~~
20 ~~**§§ 4–113, 4–114, 27–501, AND 27–505 OF THE INSURANCE ARTICLE APPLY TO**~~
21 ~~**HEALTH MAINTENANCE ORGANIZATIONS.**~~

22 **Article – Insurance**

23 27–501.

24 (a) (1) An insurer or insurance producer may not cancel or refuse to
25 underwrite or renew a particular insurance risk or class of risk for a reason based
26 wholly or partly on race, color, creed, sex, or blindness of an applicant or policyholder
27 or for any arbitrary, capricious, or unfairly discriminatory reason.

28 (2) Except as provided in this section, an insurer or insurance
29 producer may not cancel or refuse to underwrite or renew a particular insurance risk
30 or class of risk except by the application of standards that are reasonably related to
31 the insurer's economic and business purposes.

1 (b) (1) An insurer may not require special conditions, facts, or situations
 2 as a condition to its acceptance or renewal of a particular insurance risk or class of
 3 risks in an arbitrary, capricious, unfair, or discriminatory manner based wholly or
 4 partly on race, creed, color, sex, religion, national origin, place of residency, blindness,
 5 or other physical handicap or disability.

6 (2) Actuarial justification may be considered with respect to sex.

7 (c) (1) [An] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
 8 **SUBSECTION, AN** insurer or insurance producer may not make an inquiry about race,
 9 creed, color, or national origin in an insurance form, questionnaire, or other manner of
 10 requesting general information that relates to an application for insurance.

11 (2) **SUBJECT TO § 27-914 OF THIS TITLE, ~~A HEALTH INSURER, AN~~**
 12 **INSURER THAT PROVIDES HEALTH INSURANCE, NONPROFIT HEALTH SERVICE**
 13 **PLAN, OR HEALTH MAINTENANCE ORGANIZATION MAY MAKE AN INQUIRY ABOUT**
 14 **RACE AND ETHNICITY IN AN INSURANCE FORM, QUESTIONNAIRE, OR OTHER**
 15 **MANNER REQUESTING GENERAL INFORMATION, PROVIDED THE INFORMATION**
 16 **IS USED SOLELY FOR THE EVALUATION OF QUALITY OF CARE OUTCOMES AND**
 17 **PERFORMANCE MEASUREMENTS, INCLUDING THE COLLECTION OF**
 18 **INFORMATION REQUIRED UNDER § 19-134 OF THE HEALTH - GENERAL**
 19 **ARTICLE.**

20 **27-914.**

21 (A) **THIS SECTION DOES NOT APPLY TO LIFE INSURANCE POLICIES,**
 22 **ANNUITY CONTRACTS, LONG-TERM CARE INSURANCE POLICIES, OR DISABILITY**
 23 **INSURANCE POLICIES.**

24 (B) ~~**A HEALTH INSURER,**~~ **AN INSURER THAT PROVIDES HEALTH**
 25 **INSURANCE, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE**
 26 **ORGANIZATION MAY NOT USE RACE OR ETHNICITY DATA TO REJECT, DENY,**
 27 **LIMIT, CANCEL, REFUSE TO RENEW, INCREASE THE RATES OF, AFFECT THE**
 28 **TERMS OR CONDITIONS OF, OR OTHERWISE AFFECT A HEALTH INSURANCE**
 29 **POLICY OR CONTRACT.**

30 (C) ~~**(1) FOR PURPOSES OF THIS SUBSECTION, §§ 4-113, 4-114,**~~
 31 ~~**27-501, AND 27-505 OF THIS ARTICLE APPLY TO NONPROFIT HEALTH SERVICE**~~
 32 ~~**PLANS AND HEALTH MAINTENANCE ORGANIZATIONS.**~~

1 ~~(2)~~ **THE COMMISSIONER MAY ISSUE AN ORDER UNDER §§ 4-113,**
 2 **4-114, 27-501, AND 27-505 OF THIS ARTICLE IF THE COMMISSIONER FINDS A**
 3 **VIOLATION OF THIS SECTION.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 5 October 1, 2007.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.