

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 1022

(Senator Middleton, *et al.*)

Finance

Health and Government Operations

Group Life Insurance - Additional Insureds - Domestic Partners

This bill authorizes an insurer to extend insurance coverage under a group life insurance policy to the domestic partner of an insured employee or member who elects to obtain that coverage. Such coverage is treated in the same manner as that for a spouse or dependent child. Under the bill, “domestic partner” has the meaning stated in the policy.

Fiscal Summary

State Effect: Special fund revenues would increase minimally in FY 2008 from filing fees paid by life insurers that elect to offer domestic partner coverage under the bill. Expenditures would not be affected.

Local Effect: Local government expenditures could increase to the extent that local governments both offer the benefit and subsidize the premium. Any such increase cannot be accurately estimated but is assumed to be minimal.

Small Business Effect: Minimal.

Analysis

Current Law: An insurer may offer to extend coverage under a policy of group life insurance to the spouse or dependent children of each insured employee or member who elects to obtain the coverage. The insurance on the life of a spouse or child may not exceed the amount of the insurance on the life of the insured employee or member. The premium for the coverage may be paid by the policyholder, by the employee or member, or by both the policyholder and the employee or member. An employee or member may

continue the coverage under an individual policy if the policy terminates because employment or membership terminates under specified circumstances.

State Revenues: The bill authorizes a life insurer to offer domestic partner coverage under group life insurance policies. Insurers that elect to offer the coverage would have to file new rates and forms in fiscal 2008. Each rate and each form filed would be subject to the \$125 filing fee. The number of rates and forms that would be filed cannot be accurately estimated but is assumed to be minimal.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Insurance Administration, Department of Legislative Services

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