

SENATE BILL 8

C4

9lr0408

(PRE-FILED)

By: **Senator Haines**

Requested: July 10, 2008

Introduced and read first time: January 14, 2009

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Unfair and Deceptive Practices – Limit on Offer, Promise, or Gift**
3 **of Valuable Consideration Not Specified in a Contract**

4 FOR the purpose of altering the limit on the value of certain items that an insurer
5 may offer, promise, or give that is not specified in a certain contract; and
6 generally relating to insurance and unfair and deceptive practices.

7 BY repealing and reenacting, without amendments,
8 Article – Insurance
9 Section 27–201
10 Annotated Code of Maryland
11 (2006 Replacement Volume and 2008 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Insurance
14 Section 27–209
15 Annotated Code of Maryland
16 (2006 Replacement Volume and 2008 Supplement)

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

19 **Article – Insurance**

20 27–201.

21 The commission of an act prohibited under this subtitle is defined as an unfair
22 method of competition and an unfair and deceptive act or practice in the business of
23 insurance.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 27-209.

2 Except as otherwise expressly provided by law, a person may not knowingly:

3 (1) allow, make, or offer to make a contract of life insurance or health
4 insurance or an annuity contract or an agreement as to the contract other than as
5 plainly expressed in the contract;

6 (2) pay, allow, give, or offer to pay, allow, or give directly or indirectly
7 as an inducement to the insurance or annuity:

8 (i) a rebate of premiums payable on the contract;

9 (ii) a special favor or advantage in the dividends or other
10 benefits under the contract;

11 (iii) paid employment or a contract for services of any kind; or

12 (iv) any valuable consideration or other inducement not specified
13 in the contract;

14 (3) directly or indirectly give, sell, purchase, offer or agree to give, sell,
15 or purchase, or allow as inducement to the insurance or annuity or in connection with
16 the insurance or annuity, regardless of whether specified in the policy or contract, an
17 agreement that promises returns and profits, or stocks, bonds, or other securities, or a
18 present or contingent interest in or measured by stocks, bonds, or other securities, of
19 an insurer or other corporation, association, or partnership, or dividends or profits
20 accrued or to accrue on stocks, bonds, or other securities; or

21 (4) offer, promise, or give any valuable consideration not specified in
22 the contract, except for educational materials, promotional materials, or articles of
23 merchandise that cost less than ~~[\$10]~~ **\$25**, regardless of whether a policy is
24 purchased.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2009.