

HOUSE BILL 352

C4

5lr0633

By: **Delegates Rosenberg, Kipke, Kramer, Morhaim, Tarlau, Waldstreicher, and K. Young**

Introduced and read first time: February 5, 2015

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Life Insurance – Freedom to Travel Act**

3 FOR the purpose of prohibiting an insurer from taking certain actions relating to life
4 insurance coverage solely for reasons associated with an applicant's or insured's
5 future lawful travel plans unless certain conditions are met; deeming an insurer to
6 meet the conditions for the otherwise prohibited actions under certain
7 circumstances; and generally relating to life insurance and future lawful travel
8 plans.

9 BY repealing and reenacting, with amendments,
10 Article – Insurance
11 Section 27–208(a)
12 Annotated Code of Maryland
13 (2011 Replacement Volume and 2014 Supplement)

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

16 **Article – Insurance**

17 27–208.

18 (a) (1) A person may not make or allow unfair discrimination between
19 individuals of the same class and equal expectation of life in:

20 (i) the rates charged for a contract of life insurance or an annuity
21 contract;

22 (ii) the dividends or other benefits payable on a contract of life
23 insurance or an annuity contract; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (iii) any of the other terms or conditions of a contract of life insurance
2 or an annuity contract.

3 (2) (i) Notwithstanding any other provision of this section, an insurer
4 may not make or allow a differential in ratings, premium payments, or dividends for
5 contracts of life insurance or annuity contracts for a reason based on the blindness or other
6 physical handicap or disability of an applicant or policyholder.

7 (ii) Actuarial justification for the differential may be considered for
8 a physical handicap or disability other than blindness or hearing impairment.

9 (3) Unless there is actuarial justification, an insurer may not refuse to
10 insure or make or allow a differential in ratings, premium payments, or dividends in
11 connection with life insurance and annuity contracts solely because the applicant or
12 policyholder has the sickle-cell trait, thalassemia-minor trait, hemoglobin C trait,
13 Tay-Sachs trait, or a genetic trait that is harmless in itself.

14 (4) [An] WITH RESPECT TO A LIFE INSURANCE CONTRACT, AN insurer
15 may not refuse to insure, refuse to continue to insure, limit the amount or extent or kind of
16 coverage available to an individual, or charge an individual a different rate for the same
17 coverage solely for reasons associated with an applicant's or insured's past lawful travel
18 experiences.

19 (5) (I) WITH RESPECT TO A LIFE INSURANCE CONTRACT, AN
20 INSURER MAY NOT REFUSE TO INSURE, REFUSE TO CONTINUE TO INSURE, LIMIT THE
21 AMOUNT OR EXTENT OR KIND OF COVERAGE AVAILABLE TO AN INDIVIDUAL, OR
22 CHARGE AN INDIVIDUAL A DIFFERENT RATE FOR THE SAME COVERAGE SOLELY FOR
23 REASONS ASSOCIATED WITH AN APPLICANT'S OR INSURED'S FUTURE LAWFUL
24 TRAVEL PLANS, UNLESS:

25 1. THE RISK OF LOSS FOR INDIVIDUALS WHO TRAVEL TO
26 A SPECIFIED DESTINATION AT A SPECIFIED TIME IS REASONABLY ANTICIPATED TO
27 BE GREATER THAN IF THE INDIVIDUALS DID NOT TRAVEL TO THAT DESTINATION AT
28 THAT TIME; AND

29 2. THE RISK CLASSIFICATION IS BASED ON SOUND
30 ACTUARIAL PRINCIPLES AND ACTUAL OR REASONABLY ANTICIPATED EXPERIENCE.

31 (II) AN INSURER IS DEEMED TO MEET THE CONDITIONS
32 SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH FOR REFUSING TO INSURE,
33 REFUSING TO CONTINUE TO INSURE, LIMITING THE AMOUNT OR EXTENT OR KIND OF
34 COVERAGE AVAILABLE TO AN INDIVIDUAL, OR CHARGING AN INDIVIDUAL A
35 DIFFERENT RATE FOR THE SAME COVERAGE SOLELY FOR REASONS ASSOCIATED

1 WITH AN APPLICANT'S OR INSURED'S FUTURE LAWFUL TRAVEL PLANS IF, WITH
2 RESPECT TO THE TRAVEL DESTINATION:

3 1. THE DIRECTOR OF THE CENTERS FOR DISEASE
4 CONTROL AND PREVENTION OF THE U.S. DEPARTMENT OF HEALTH AND HUMAN
5 SERVICES HAS ISSUED A HIGHEST LEVEL ALERT OR WARNING, INCLUDING A
6 RECOMMENDATION AGAINST NONESSENTIAL TRAVEL, DUE TO A SERIOUS
7 HEALTH-RELATED CONDITION; OR

8 2. THERE IS AN ONGOING ARMED CONFLICT INVOLVING
9 THE MILITARY OF A SOVEREIGN NATION FOREIGN TO THE COUNTRY OF CONFLICT.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2015.