

SB0436/417378/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 436

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Hershey” and substitute “, Hershey, Astle, Benson, Jennings, Kelley, Klausmeier, Mathias, Middleton, Pugh, and Reilly”; in line 8, after “insurer;” insert “prohibiting the inclusion of certain provisions in a short-term medical insurance policy procured from a nonadmitted insurer; requiring the Maryland Insurance Commissioner to develop and make available on the Web site of the Maryland Insurance Administration a certain consumer guide; requiring a certain affidavit to include certain information; altering a certain requirement for an applicant for a certain certificate of qualification;”; in line 17, strike “and” and substitute a comma; and in the same line, after “3-306.2” insert “, 3-307, and 3-311”.

AMENDMENT NO. 2

On page 3, in line 16, after “TIME” insert “TO:”

(I) RESIDENTS OF THE UNITED STATES WHO TRAVEL TO ANOTHER COUNTRY WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF COVERAGE; AND

(II) RESIDENTS OF ANOTHER COUNTRY WHO:

1. TRAVEL TO THE UNITED STATES WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF COVERAGE; AND

2. ARE NOT TRAVELING TO THE UNITED STATES FOR THE PURPOSE OF ATTENDING AN INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN § 10-101 OF THE EDUCATION ARTICLE”.

(Over)

AMENDMENT NO. 3

On page 3, in line 18, strike “Disability” and substitute “SUBJECT TO SUBSECTIONS (B) THROUGH (E) OF THIS SECTION, DISABILITY”.

On page 4, in line 5, strike “AND”; after line 7, insert:

“(III) STATING THAT THE SHORT-TERM MEDICAL INSURANCE MAY BE AVAILABLE FROM AN ADMITTED INSURER;

(IV) STATING THAT SIMILAR COVERAGE MAY BE AVAILABLE FROM AN ADMITTED INSURER OFFERING TRAVEL INSURANCE, AS DEFINED IN § 10-101 OF THIS ARTICLE; AND

(V) STATING THAT:

1. THE SHORT-TERM MEDICAL INSURANCE DOES NOT MEET THE REQUIREMENTS FOR MINIMUM ESSENTIAL COVERAGE UNDER THE AFFORDABLE CARE ACT; AND

2. A PURCHASER OF THE SHORT-TERM MEDICAL INSURANCE MAY BE SUBJECT TO TAX PENALTIES FOR NOT HAVING MINIMUM ESSENTIAL COVERAGE;”;

and after line 10, insert:

“(D) SHORT-TERM MEDICAL INSURANCE MAY NOT BE PROCURED FROM A NONADMITTED INSURER UNLESS:

(1) THE INSURANCE IS PROCURED THROUGH A QUALIFIED SURPLUS LINES BROKER;

(2) IF THE INSURANCE IS OFFERED ON A WEB SITE ON THE INTERNET, THE WEB SITE IDENTIFIES THE QUALIFIED SURPLUS LINES BROKER THROUGH WHOM THE INSURANCE MAY BE PROCURED; AND

(3) THE DILIGENT SEARCH REQUIRED UNDER §§ 3-306 AND 3-306.1 OF THIS SUBTITLE INCLUDES A SEARCH OF THE SHORT-TERM MEDICAL INSURANCE POLICIES OFFERED FOR SALE BY ADMITTED INSURERS.

(E) A SHORT-TERM MEDICAL INSURANCE POLICY PROCURED FROM A NONADMITTED INSURER MAY NOT INCLUDE:

(1) A PREEXISTING CONDITION EXCLUSION, UNLESS THE EXCLUSION RELATES TO A CONDITION THAT WAS FIRST MANIFESTED, TREATED, OR DIAGNOSED BEFORE THE EFFECTIVE DATE OF THE POLICY; OR

(2) A DEFINITION OF SICKNESS OR ILLNESS THAT EXCLUDES ANY SICKNESS OR ILLNESS THAT BEGAN, EXISTED, OR HAD ITS ORIGIN BEFORE THE EFFECTIVE DATE OF THE POLICY, UNLESS THE SICKNESS OR ILLNESS WAS FIRST MANIFESTED, TREATED, OR DIAGNOSED BEFORE THE EFFECTIVE DATE OF THE POLICY.

(F) THE COMMISSIONER SHALL DEVELOP AND MAKE AVAILABLE ON THE ADMINISTRATION'S WEB SITE A CONSUMER GUIDE ON SHORT-TERM MEDICAL INSURANCE THAT INCLUDES INFORMATION ON:

(1) THE AVAILABILITY OF COVERAGE FROM ADMITTED INSURERS;

AND

(2) THE TYPES OF COVERAGE AND PROVISIONS IN SHORT-TERM MEDICAL INSURANCE POLICIES THAT MAY BE IMPORTANT TO CONSUMERS.

3-307.

(a) An affidavit that sets forth the facts referred to in § 3-306 of this subtitle and any other facts required by the Commissioner must be personally executed by the surplus lines broker or the originating insurance producer at the time the surplus lines insurance is placed.

(b) The affidavit must be filed with the Commissioner on or before the 45th day after the last day of the calendar quarter in which the surplus lines insurance was placed.

(c) FOR SHORT-TERM MEDICAL INSURANCE PROCURED FROM A NONADMITTED INSURER UNDER THIS SUBTITLE, THE AFFIDAVIT SHALL INCLUDE, FOR EACH DECLINING AUTHORIZED INSURER, THE REASON FOR THE DECLINATION.

3-311.

An applicant for a certificate of qualification [must be] SHALL:

(1) BE qualified as an insurance producer [for property insurance and casualty insurance];

(2) HOLD AN INSURANCE PRODUCER'S LICENSE FOR THE KIND OF INSURANCE BEING SOLICITED OR SOLD; and

[(2)](3) BE competent and trustworthy, as determined by the
Commissioner.”