

Department of Legislative Services  
Maryland General Assembly  
2019 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 312  
Finance

(Senator Lam, *et al.*)

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**Life Insurance - Prohibition on Discrimination - Opioid Overdose Reversal Drug**

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This bill prohibits a life insurer from taking specified adverse actions against an applicant or insured based solely on information about the applicant or insured's prescription for, purchase of, or possession of an opioid overdose reversal drug. **The bill takes effect January 1, 2020, and applies to all life insurance policies issued, delivered, or renewed in the State on or after that date.**

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**Fiscal Summary**

**State Effect:** The bill's imposition of existing penalty provisions does not have a material impact on State finances or operations. The Maryland Insurance Administration can enforce the bill's prohibition using existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** A life insurer may not, based solely on information that an applicant or insured has a prescription for, purchased, or possesses an opioid overdose reversal drug, (1) cancel, refuse to underwrite or renew, or refuse to issue a policy; (2) refuse to pay a claim or otherwise terminate a policy; (3) increase rates; or (4) add a surcharge, apply a rating factor, or use any other underwriting practice that adversely takes the information into account. The bill may not be interpreted to preclude an insurer from using mental or physical medical conditions in determining the eligibility, rate, or underwriting classification of the applicant or insured.

**Current Law:** Certain insurer practices and activities are expressly prohibited and considered, among other things, unfair trade practices, unfair claim settlement practices, or discrimination. For example, an insurer may not refuse to pay a claim or increase a premium under a homeowner's insurance policy solely because the policyholder was a victim of a violent crime. The Insurance Commissioner has general enforcement authority to issue a cease and desist order when a violation is discovered, and penalties are prescribed for different types of violations. Certain activities carry more severe penalties; for example, an insurer may be fined up to \$125,000 for each violation when it fails to act in good faith when settling a first-party claim under a policy of property and casualty insurance.

**Background:** Naloxone (also known as Narcan®) is an opioid antagonist long used in emergency medicine to rapidly reverse opioid-related sedation and respiratory depression. In April 2018, the U.S. Surgeon General released an advisory encouraging health care practitioners, community members, and the family and friends of people with an opioid use disorder to learn how to use naloxone and keep it within reach.

Since that time, many individuals, especially first responders and health care practitioners, have begun to carry naloxone. However, a registered nurse in Massachusetts was denied life insurance because she had a prescription to carry naloxone in order to assist others (in her employment at a substance use disorder treatment facility) and in the manner recommended by the U.S. Surgeon General.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Department of Health; Maryland Insurance Administration; U.S. Surgeon General; Department of Legislative Services

**Fiscal Note History:** First Reader - March 4, 2019  
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