

Bill No.: \_\_\_\_\_

Requested: \_\_\_\_\_

Committee: \_\_\_\_\_

Drafted by: Departmental

Typed by: Elise

Stored – 11/08/19

Proofread by \_\_\_\_\_

Checked by \_\_\_\_\_

By: **Leave Blank (By Request – Departmental – Maryland Insurance Administration)**

A BILL ENTITLED

1 AN ACT concerning

2 **Insurance – Universal and Variable Life Insurance – Notice**

3 FOR the purpose of requiring certain insurers to send a notice to policyholders of universal  
4 or variable life insurance if the policy contains a provision that allows the  
5 policyholder to reduce the face amount of the policy; requiring that the notice state  
6 certain information; authorizing the insurer to include certain information in a  
7 certain billing statement; requiring that the notice be sent to a certain address at  
8 certain times; and generally relating to policies of universal and variable life  
9 insurance.

10 BY adding to

11 Article – Insurance

12 Section 16–219

13 Annotated Code of Maryland

14 (2017 Replacement Volume and 2019 Supplement)

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

17 **Article – Insurance**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **16-219.**

2 (A) (1) IF A POLICY OF UNIVERSAL OR VARIABLE LIFE INSURANCE  
3 CONTAINS A PROVISION THAT ALLOWS A POLICYHOLDER TO REDUCE THE FACE  
4 AMOUNT OF THE POLICY, THE INSURER SHALL PROVIDE A WRITTEN NOTICE TO THE  
5 POLICYHOLDER.

6 (2) THE NOTICE SHALL STATE:

7 (I) THAT THE POLICYHOLDER'S POLICY ALLOWS FOR A  
8 REDUCTION OF THE FACE AMOUNT OF THE POLICY THAT MAY REDUCE THE  
9 PREMIUM OWED;

10 (II) THE PREMIUM TO BE PAID TO PREVENT THE POLICY FROM  
11 LAPSE; AND

12 (III) THE INSURER'S CUSTOMER SERVICE TELEPHONE NUMBER.

13 (B) THE INSURER MAY INCLUDE THE INFORMATION REQUIRED UNDER  
14 SUBSECTION (A) OF THIS SECTION IN THE BILLING STATEMENT ISSUED TO THE  
15 POLICYHOLDER.

16 (C) THE NOTICE SHALL BE SENT TO A POLICYHOLDER'S LAST KNOWN  
17 ADDRESS:

18 (1) AT THE BEGINNING OF THE GRACE PERIOD UNDER § 16-202 OF  
19 THIS SUBTITLE; AND

20 (2) AT LEAST 30 DAYS BEFORE TERMINATION OF COVERAGE.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 2020.