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SUMMARY OF 2004 INSURANCE LEGISLATION
SIGNED INTO LAW BY GOVERNOR ROBERT L. EHRLICH, JR.

This bulletin is meant to place insurers authorized to write insurance in Maryland on notice of the insurance laws (Insurance Article § 1-101 *et seq.*, Annotated Code of Maryland) passed by the 2004 Maryland General Assembly. ***The attached synopsis is intended to serve only as a guide.*** All insurers should refer to the 2004 Chapter Laws of Maryland for the complete text of any of these recently enacted laws. Insurers are advised that other bills passed by the General Assembly and not listed on the synopsis may also affect their business operations in Maryland.

You can obtain a copy of a specific law passed by the General Assembly during the 2004 legislative session by accessing <http://mlis.state.md.us> on the Internet or by contacting the Department of Legislative Services at 410-946-5400. You should refer to the House or Senate bill number when searching for a law on the "mlis" web site. You can also obtain a copy of *The 90 Day Report -- A Review of the Legislative Session (2004)* from Library and Information Services, Office of Policy Analysis, Department of Legislative Services, 90 State Circle, Annapolis, MD 21401-1991 (410-946-5400).

For additional information concerning the Maryland Insurance Administration's Summary of Legislation, please contact Kathleen Loughran, Associate Commissioner of Policy and Government Affairs, at (410) 468-2014.

2004 INSURANCE LEGISLATION

LIFE AND HEALTH

HOUSE BILL 122 (Chapter 321) - Health Insurance - Coverage for Young Adults

- Applies to insurers, nonprofit health service plans and health maintenance organizations that deliver or issue for delivery in the State individual, group or blanket health insurance policies and contracts.
- Requires an entity subject to House Bill 122 to provide certain notification at least 60 days before a child age 19 or older who is covered under a parent's policy or contract as a full-time student attains the limiting age specified in the policy or contract.
- Under § 15-416(B), requires an entity subject to this section to:
 - (1) Notify the parent of the impending loss of the child's coverage; and
 - (2) Provide information regarding:
 - (I) Any other policies that may be available to the child from the entity; and
 - (II) The availability of additional information from the Maryland Insurance Administration regarding individual policies in the State.
- Requires the Maryland Insurance Administration to provide on its web site and in printed form a list of carriers, including contact information for each carrier, that offer individual health benefit plans in the State.

Effective date: October 1, 2004

HOUSE BILL 123 (Chapter 155) - Health Insurance - Prompt Payment of Claims

- Amends current law to require an insurer, nonprofit health service plan, or health maintenance organization to mail or otherwise transmit payment for a claim or any undisputed portion of the claim in accordance with § 15-1005.

Effective date: June 1, 2004

HOUSE BILL 125 (Chapter 322) - Health Insurance - Medicare Supplement Policies - Individuals Enrolled in the Maryland Health Insurance Plan

- Applies to any individual Medicare supplement policy and to any Medicare supplement policy issued to a group in which an individual has privileges associated with group membership.
- Under § 15-929 of the Insurance Article, requires an entity subject to House Bill 125 to issue any Medicare supplement policy the carrier sells in the State to an individual who is eligible for Medicare due to age if the individual:
 - (1) Transferred from a substantial, available, and affordable coverage plan to the Maryland Health Insurance Plan on July 1, 2003;
 - (2) Is terminated from the Maryland Health Insurance Plan as a result of eligibility for Medicare; and
 - (3) Applies for the Medicare supplement policy during the six-month period after the individual is terminated from the Maryland Health Insurance Plan.
- Under § 15-929 of the Insurance Article, prohibits a carrier subject to House Bill 125 from excluding or limiting benefits for losses incurred after the effective date of coverage because the losses involved a preexisting condition.
- Requires the Maryland Insurance Administration to issue notice of the requirements of House Bill 125 to each affected entity in the State.
- Requires the Maryland Health Insurance Plan to issue notice of the availability of Medicare supplement coverage to each individual enrolled in the Maryland Health Insurance Plan who meets the requirements of § 15-929(B)(1) of the Insurance Article.
- Alters § 15-909(b)(3) of the Insurance Article to require certain carriers to make available both a Medicare supplement policy plan C and a Medicare supplement policy I to an individual who is under the age of 65 years but is eligible for Medicare due to a disability if an application for a Medicare supplement policy or certificate is submitted:
 1. During the six-month period following the applicant's enrollment in Part B of Medicare; or
 2. For an individual terminated from the Maryland Health Insurance Plan as a result of enrollment in Part B of Medicare, during the six-month period after the individual's termination.

Effective date: June 1, 2004 (The provisions adopted under § 15-929 of the Insurance Article pursuant to this Chapter will remain in effect until June 30, 2005.)

HOUSE BILL 127 (Chapter 323) - Nonprofit Health Service Plans and Health Maintenance Organizations - Underwriting Standards

- Applies the provisions of § 27-501(H) to health maintenance organizations and nonprofit health service plans.

Effective date: October 1, 2004

HOUSE BILL 231 (Chapter 162) - Life Insurers - Funding Agreements - Priority in Liquidation Proceedings

- Establishes in a liquidation proceeding the priority of claims by holders of funding agreements issued under § 16-113 of the Insurance Article.

Effective date: October 1, 2004

HOUSE BILL 341 (Chapter 257) - Regulation and Acquisition of Nonprofit Health Entities

- Establishes that a prosecution for a misdemeanor offense under Title 14 of the Insurance Article must be instituted within three years after the offense was committed.
- Alters the application of certain provisions of law under Title 14 of the Insurance Article to nonprofit health service plans under certain circumstances.
- Amends § 6.5-201 to require that an application submitted to the regulating entity for acquisition shall include an independent valuation of the nonprofit health entity that was obtained prior to the consideration of any bid or offer to acquire the nonprofit health entity and an antitrust analysis prepared by an expert.
- Amends certain provisions of law under § 6.5-301 of the Insurance Article to ensure that certain steps are taken by the nonprofit health service plan before the Maryland Insurance Commissioner may approve an acquisition.
- Clarifies the term limitations for certain board members.

Effective date: June 1, 2004

HOUSE BILL 350 (Chapter 330) - Nonprofit Health Service Plans - Compensation of Officers and Executives - Authority of Insurance Commissioner

- Conforms certain provisions of the Insurance Article relating to nonprofit health service plans to the Order and Consent Judgment rendered by the U. S. District Court for the District of Maryland in the case of the State of Maryland v. Blue Cross and Blue Shield Association and CareFirst, Inc.
- Repeals § 14-139(d)(2) from the Insurance Article so that proposed compensation guidelines of a nonprofit health service plan do not have to be submitted to the Insurance Commissioner for review and approval prior to the use of the compensation guidelines.
- Requires the board of a nonprofit health service plan to submit to the Insurance Commissioner, on an annual basis, a copy of the board-approved guidelines.

Effective date: May 11, 2004

HOUSE BILL 557 (Chapter 356) - Advance Directive Information Availability Act

Among other things, the law amends the Insurance Article in the following manner:

- Defines "advance directive" to have the same meaning as stated in § 5-601 of the Health-General Article.
- Defines "carrier" to include an insurer, nonprofit health service plan, health maintenance organization and any other person that provides health benefit plans subject to regulation by the State. (Does not include managed care organizations.)
- Requires a carrier to provide the advance directive information sheet developed under § 5-615 of the Health-General Article:
 - (1) In the carrier's member publications;
 - (2) If the carrier maintains a website on the Internet, on the carrier's website;
and
 - (3) At the request of a member.

Effective date: October 1, 2004

HOUSE BILL 574 (Chapter 54) - Health Insurance - Medicare Supplement Policies - Sale or Offer to Medicaid-Eligible Individual

- Allows a carrier or insurance producer to sell or offer to sell a Medicare supplement policy to an individual eligible for Medicaid benefits in accordance with the provisions of 42 U.S.C. § 1395SS and Title 15 of the Insurance Article.

Effective date: April 13, 2004

HOUSE BILL 667 (Chapter 510) - Maryland Health Insurance Plan - Authority and Composition of Board of Directors - Plan Fund

- Alters the composition of the Maryland Health Insurance Plan board from seven to nine members, of whom, one shall be an individual who is an owner or employee of a minority-owned business in Maryland, appointed by the Governor, and one shall be a member of a racial minority appointed by the Health, Education, and Advocacy Unit in the Office of the Attorney General.
- Establishes that the term of an appointed member is four years; an appointed member continues to serve until a successor is appointed; and an appointed member who is appointed after a term has begun serves only for the rest of the term and until a successor is appointed.
- Authorizes the Maryland Health Insurance Plan (MHIP) to receive money donated to the MHIP Fund and money awarded to the MHIP Fund through grants.
- Authorizes the Maryland Health Insurance Plan to subsidize premiums, deductibles, and other policy expenses based on a member's income.

Effective date: July 1, 2004

HOUSE BILL 669 (Chapter 60) - Health Insurance - HIPAA - Maryland Health Insurance Plan - Alternative Mechanism

- Establishes under § 14-508 of the Insurance Article that the Maryland Health Insurance Plan is the alternative mechanism for eligible individuals under the federal Health Insurance Portability and Accountability Act (HIPAA).
- Defines "creditable coverage" and "eligible individual" to have the same meaning as stated in § 15-1301 of the Insurance Article.
- Prohibits the Maryland Health Insurance Plan from applying a preexisting condition exclusion to an eligible individual who applies for coverage within 63 days of terminating prior creditable coverage.

- Repeals certain provisions of law that are no longer needed since the Maryland Health Insurance Plan is the alternative mechanism for HIPAA individuals.
- Prohibits a carrier from terminating a health benefit plan that was issued to an eligible individual prior to July 1, 2004 unless the carrier complies with the provisions of §§ 15-1308 and 15-1309 of the Insurance Article.

Effective date: July 1, 2004

HOUSE BILL 670 (Chapter 363) - Health Insurance - Inducements

- Prohibits the offering of inducements by health maintenance organizations in accordance with § 27-209 of the Insurance Article.

Effective date: July 1, 2004

HOUSE BILL 845 (Chapter 94) / SENATE BILL 131 (Chapter 93) - Maryland Health Care Commission and Maryland Insurance Administration - Affordability of Health Insurance in Maryland - Study and Recommendations

- Requires the Maryland Health Care Commission and the Maryland Insurance Administration to conduct a study of the affordability of private health insurance in Maryland.
- Requires the Maryland Insurance Administration, in consultation with the Maryland Health Care Commission, to study:
 - (1) The number of, and the regulatory requirements, including rating of health status, relating to health insurance carriers in Delaware, the District of Columbia, Pennsylvania, Virginia and West Virginia; and
 - (2) The role of tax-deferred health savings accounts and other models of offering health insurance coverage designed to increase consumer awareness of the cost of health care services.

Effective date: July 1, 2004 until January 31, 2006

HOUSE BILL 933 (Chapter 386) - Health Insurance - Small Group Market - Modified Health Benefit Plan for Medical Savings Accounts

- Repeals a provision under § 19-103 of the Insurance Article that requires the Maryland Health Care Commission to develop a modified health benefit plan for medical savings accounts.

- Repeals § 15-1207(a)(2) of the Insurance Article that requires the Maryland Health Care Commission to adopt regulations pertaining to medical savings accounts.

Effective date: July 1, 2004

HOUSE BILL 1361 (Chapter 415) - Health Insurance - Hearings on Appeals and Grievances

- Clarifies that carriers have the burden of persuasion that its coverage decision or appeal decision is correct in any hearing held in accordance with Title 10, Subtitle 2 of the State Government Article.

Effective date: July 1, 2004

SENATE BILL 437 (Chapter 459) - Health Insurance - Required Reimbursement - Podiatrists

- Applies to individual, group or blanket health insurance policies and contracts delivered or issued for delivery in Maryland by insurers, nonprofit health service plans and health maintenance organizations.
- If the policy or contract provides reimbursement for a service that is within the lawful scope of practice of a licensed podiatrist, any person entitled to reimbursement under the policy or contract is entitled to the same amount of reimbursement for the service regardless of whether the service is performed by a physician or licensed podiatrist.
- The law does not prohibit the determination of reimbursement based on the geographic location of the delivery of service, the preeminent qualifications of a physician or podiatrist, or the need to provide services in an underserved area of the State.

Effective date: October 1, 2004

SENATE BILL 439 (Chapter 275) - Insurance - Viatical Settlement Providers and Viatical Settlement Brokers

- Requires the Maryland Insurance Administration to provide limited regulatory oversight of individuals who act as viatical settlement providers or viatical settlement brokers in Maryland.
- Requires a person to register with the Insurance Commissioner before the person acts as or represents itself as a viatical settlement provider.

- Requires a person acting as a viatical settlement broker to register with the Insurance Commissioner (in accordance with § 8-604 of the Insurance Article) not later than 30 days after negotiating a viatical settlement contract on behalf of a viator.
- Establishes, under § 8-604 of the Insurance Article, an applicant for registration to:
 - (1) File an application with the Insurance Commissioner on the form that the Insurance Commissioner requires; and
 - (2) Pay to the Commissioner a registration fee set by the Commissioner.
- Defines certain terms including "viatical settlement broker", "viatical settlement provider", and viator.
- Under § 8-606 of the Insurance Article, requires a viatical settlement provider to provide certain disclosures to a viator.
- Under § 8-608 of the Insurance Article, authorizes the Insurance Commissioner to deny registration to an applicant or refuse to renew, suspend, or revoke the registration of a registrant under certain circumstances.
- Authorizes the Insurance Commissioner to impose penalties under certain circumstances.
- Under § 8-610 of the Insurance Article, establishes certain actions to be a violation of Subtitle 6 ("Viatical Settlement Providers and Viatical Settlement Brokers") of the Insurance Article.
- Requires viatical settlement contracts and applications for viatical settlement contracts to contain the following statement:

"Any person who knowingly presents false information in an application for insurance or an application for a viatical settlement contract has committed a fraudulent viatical settlement act and on conviction is subject to fines, imprisonment, or both, under § 27-408 of the Insurance Article of the Annotated Code of Maryland."
- Amends § 27-403 of the Insurance Article to establish that certain acts are considered to be a fraudulent insurance act.

Effective date: October 1, 2004

SENATE BILL 451 (Chapter 278) - Health Care Providers - Collection of Medicare Approved or Limiting Amounts

- Amends § 19-710(p) of the Health-General Article to authorize a health care provider to collect or attempt to collect from a subscriber or enrollee if Medicare is the primary insurer and a health maintenance organization is the secondary insurer, any amount up to the Medicare approved or limiting amount, as specified under the Social Security Act, that is not owed by either Medicare or the health maintenance organization after coordination of benefits has been completed.
- This provision applies to Medicare covered services provided to the subscriber or enrollee by the health care provider.

Effective date: October 1, 2004

SENATE BILL 570 (Chapter 287) - Health Insurance - Small Group Market - Limited Health Benefit Plan

- Defines "Limited Benefit Plan" to mean the "Limited Health Benefit Plan" adopted by the Maryland Health Care Commission in accordance with § 15-1207 of the Insurance Article and Title 19, Subtitle 1 of the Health-General Article.
- Requires the Maryland Health Care Commission on or before July 1, 2005, to adopt regulations that specify the Limited Health Benefit Plan.
- Requires a prominent carrier that offers insurance in the small group market to offer the limited benefit plan to qualified employers.
- Allows carriers, other than a prominent carrier, to offer the limited benefit plan to a qualified employer.
- Section 15-1209 of the Insurance Article establishes under what circumstances a small employer may qualify to purchase the limited benefit plan.
- Amends § 15-1213 of the Insurance Article to:
 - (1) Prohibit a carrier from offering a benefit in addition to the Limited Health Benefit Plan, except for an additional benefit to lower the cost-sharing arrangements in the Limited Health Benefit Plan.
 - (2) Ensure that each benefit offered in addition to the limited benefit plan is subject to all of the provisions of Subtitle 12 that are applicable to the limited benefit plan.

- (3) Allows the Insurance Commissioner to prohibit a carrier from offering an additional benefit under § 15-1213(D) of the Insurance Article if the Insurance Commissioner finds that the additional benefit will be sold in conjunction with the limited benefit plan in a manner designed to promote risk selection or underwriting practices otherwise prohibited by law.
- Requires the Maryland Health Care Commission to:
 - (1) Ensure that the actuarial value of the Limited Health Benefit Plan does not exceed 70 percent of the actuarial value of the Comprehensive Standard Health Benefit Plan as of January 1, 2004; and
 - (2) Consider including in the Limited Health Benefit Plan the benefits required to be included in a limited benefits policy authorized by Chapter 434 of the Acts of 1991.
- Requires the Maryland Insurance Administration to adopt regulations that :
 - (1) Specify a disclosure statement notifying a small employer that the Limited Health Benefit Plan provides only basic benefits, and that more comprehensive coverage is available under the Comprehensive Standard Benefit Plan; and
 - (2) Require a carrier that offers the Limited Health Benefit Plan to obtain a signed disclosure statement from the small employer at the time of the initial purchase of coverage and at renewal.
- Requires the Maryland Insurance Administration, in consultation with health insurance carriers and producers, to develop a uniform form that health insurance carriers and producers must use to collect the information necessary to determine that a small employer that applies for coverage under a Limited Health Benefit Plan meets the criteria required under § 15-1209(c)(2)(ii)1 and 2.

Effective date: July 1, 2004 until June 30, 2008

SENATE BILL 868 (Chapter 486) - Health Insurance - Treatment of Morbid Obesity

- Amends § 15-839 of the Insurance Article to require a carrier subject to § 15-839 of the Insurance Article to provide coverage for the surgical treatment of morbid obesity that is:
 - (1) Recognized by the National Institutes of Health as effective for the long-term reversal of morbid obesity; and

- (2) Consistent with guidelines approved by the National Institutes of Health.
- Establishes a task force to study utilization review of the surgical treatment of morbid obesity that must report its findings and recommendations to the Senate Finance Committee and the House Health and Government Operations Committee on or before December 1, 2004.
- Requires the Maryland Insurance Administration to report to the Senate Finance Committee and the House Health and Government Operations Committee, for the period of June 1, 2004 through November 30, 2004, on:
 - (1) The number of complaints filed with the Maryland Insurance Administration relating to the denial of coverage for the surgical treatment of morbid obesity;
 - (2) The health insurance carrier that denied coverage and the reason given for the denial; and
 - (3) Whether the Maryland Insurance Administration upheld or reversed the denial of coverage and the basis of the decision.

Effective date: June 1, 2004 until May 31, 2005

PROPERTY AND CASUALTY

HOUSE BILL 15 (Chapter 291) / SENATE BILL 586 (Chapter 290) - Insurance - Public Adjusters - Regulation

- Establishes that a person, including a business entity, must obtain a license to act as a public adjuster from the Insurance Commissioner before the person acts as a public adjuster in Maryland.
- Establishes criminal penalties for a person who fails to obtain a license from the Insurance Commissioner before acting as a public adjuster.
- Under § 10-404 of the Insurance Article, establishes the qualifications for an applicant.
- Under § 10-407 of the Insurance Article, the Insurance Commissioner is required to adopt regulations that specify:
 - (1) The scope, type, conduct and grading of the written examination;
 - (2) The frequency, times, and locations within the State where the written examination will be held; and

(3) The experience requirements for an individual applicant to be eligible to take a written examination.

- Amends the reinstatement fee to \$100.00.
- Amends § 10-410 of the Insurance Article to provide for those circumstances in which the Insurance Commissioner may deny a license to an applicant or suspend, revoke, or refuse to renew or reinstate a license.
- Authorizes the Insurance Commissioner to impose penalties for each violation of the Insurance Article.
- The law applies to a person that is a business entity on January 1, 2005.

Effective date: July 1, 2004

HOUSE BILL 941 (Chapter 211) - Insurance - Premium Financing - Electronic Payment Fee

- Amends § 23-301 of the Insurance Article to require a premium finance agreement to disclose, if applicable, the electronic payment fee charged by the premium finance company.
- Establishes under § 23-307.1 of the Insurance Article that a premium finance company may require an insured to pay an electronic payment fee if the insured elects to pay the premium finance company by means of an electronic payment.
- Permits a premium finance company to charge an electronic payment fee, not to exceed \$8, for actual expenses incurred by the premium finance company for the electronic payment.
- Applies to all premium finance agreements and contracts issued, delivered, or renewed on or after the effective date.

Effective date: October 1, 2004

HOUSE BILL 1520 (Chapter 553) - Liability Insurance - Minors - Settlement of Claims

- Under § 19-113 of the Insurance Article, would establish that a parent of a minor or person in loco parentis of the minor may settle a claim under a liability insurance policy brought by the parent or person in loco parentis for the benefit of the minor.

- Also, would establish that payment of a settlement of a claim made under § 19-113(a) of the Insurance Article shall comply with Title 13, Subtitle 4 of the Estates and Trust Article.

Effective date: June 1, 2004

HOUSE BILL 1528 (Chapter 422) - Property and Casualty Insurance Guaranty Corporation - Actions for Claims Information of Insolvent Insurers

- Under § 9-306 of the Insurance Article, allows a corporation to bring an action against a third party administrator, producer, agent, attorney or other representative of an insolvent insurer to obtain custody and control of all files and records, regardless of format, related to claims information that involves the insolvent insurer.
- Applies only to insurer insolvencies that occur on or after June 1, 2004.

Effective date: June 1, 2004

HOUSE BILL 1529 (Chapter 554) - Property and Casualty Insurance Guaranty Corporation - Definition of "Covered Claim"

- Amends § 9-301(d) of the Insurance Article.
- Establishes that a "covered claim" does not include:
 - (i) A claim filed with the corporation after the earlier of 18 months after the date of the order of liquidation; or the final date set by the court for the filing of claims against the liquidator or receiver of an insolvent insurer; or
 - (ii) A claim filed with the corporation or a liquidator for protection afforded under the insured's policy for losses that are incurred but not reported.

Effective date: June 1, 2004

SENATE BILL 101 (Chapter 91) - Private Passenger Motor Vehicle Insurance - Use of Credit History - Repeal of Sunset

- Repeals the sunset provision in Chapter 580 of the Acts of 2002 which would have abolished § 27-501(e-2)(5) of the Insurance Article.
- Requires the Maryland Insurance Administration to report to the Senate Finance Committee and the House Economic Matters Committee on or

before December 1, 2004 on the status and findings of the study in which Maryland has joined with 14 other states of the National Association of Insurance Commissioners on whether credit scoring has a disparate impact on minority and low-income individuals.

Effective date: July 1, 2004

SENATE BILL 236 (Chapter 255) - Motor Vehicle Liability Insurance - Personal Injury Protection Coverage - Waiver

- Clarifies existing law under § 19-506(e) of the Insurance Article to provide that a waiver made by a person that is insured continuously by an insurer is effective until the waiver is withdrawn in writing.

Effective date: June 1, 2004

SENATE BILL 238 (Chapter 256) - Surplus Lines Brokers - Policy and Inspection Fees

- Amends § 27-216(d) of the Insurance Article to permit a surplus lines broker, under certain circumstances, to charge a reasonable policy fee on a policy issued by a surplus lines insurer or an authorized insurer.
- Amends § 27-216(d)(5) of the Insurance Article to permit a surplus lines broker, under certain circumstances, to recoup from the prospective insured the actual cost of an inspection required for the placement of insurance with an authorized insurer.
- Under § 27-216(d)(6) of the Insurance Article, only one inspection fee may be charged regardless of the number of insurers participating on the risk.

Effective date: October 1, 2004

SENATE BILL 460 (Chapter 127) - Private Passenger Motor Vehicle Liability Insurance - Coverage for Claims of Family Members

- Section 19-504.1(a) applies only when the liability coverage under a policy or binder of private passenger motor vehicle liability insurance exceeds the amount required under § 17-103 of the Transportation Article.

- Section 19-504.1(b) requires an insurer to offer to the first named insured (under a policy or binder of private passenger motor vehicle liability coverage) coverage for claims made by a family member in the same amount as the liability coverage for claims made by a non-family member under the policy or binder.
- An offer made under § 19-504.1(b) of the Insurance Article:
 - (1) Shall be made on the form that the Insurance Commissioner requires;
 - (2) May be part of the insurance application, policy, contract, or binder; and
 - (3) Shall clearly and concisely explain in 10 point bold type:
 - (i) The nature, extent, benefit, and cost of the amount of liability coverage for claims made by family members that is available to the first named insured; and
 - (ii) That an insurer may not refuse to underwrite a first named insured because the first named insured requests or elects the liability coverage for claims made by family members in an amount equal to the coverage provided for claims made by non-family members.
- Requires the Insurance Commissioner to study the impact on rates as a result of requiring coverage pursuant to this law. On or before January 10, 2008, the Insurance Commissioner shall report the findings to the General Assembly.
- Applies to all private passenger motor vehicle liability insurance policies and binders issued, delivered or renewed in Maryland on or after January 1, 2005.

Effective date: October 1, 2004

SENATE BILL 533 (Chapter 464) - Homeowner's Insurance - Cancellation

- Allows an insurer to cancel a policy of homeowner's insurance under which a one-time guaranteed fully refundable deposit is required for a stated amount of coverage, if the cancellation:
 - (i) Takes effect on the anniversary date of the inception of the policy;
 - (ii) Is not based on a claim that occurred more than three years before the anniversary date of the policy on which the proposed cancellation would take effect; and

(iii) Is otherwise in accordance with Subtitle 27 of the Insurance Article.

Effective date: October 1, 2004

SENATE BILL 584 (Chapter 289) - Insurance Producers - Continuing Education Requirements

- Requires each insurance producer who possesses a license to sell property and casualty insurance and who sells flood insurance to receive continuing education that directly relates to flood insurance.
- Each insurance producer subject to this law must complete the continuing education requirements related to flood insurance on or before September 30, 2006.

Effective date: October 1, 2004

SENATE BILL 639 (Chapter 471) - Workers' Compensation Benefits - Fraud

Among other things, the law would:

- Require the Insurance Commissioner to report, in the annual report required under § 2-110 of the Insurance Article, the number of cases received from the Workers' Compensation Commission under § 9-310.2 of the Labor and Employment Article and the resolution of the cases.
- Amend the definition of "insurance fraud" under § 2-401 of the Insurance Article to include a violation of § 9-1106 of the Labor and Employment Article.
- Require the Insurance Fraud Division of the Maryland Insurance Administration (MIA) to notify the Workers' Compensation Commission of suspected cases of insurance fraud referred to the Office of the Attorney General or appropriate local State's Attorney that involve the payment of compensation, fees, or expenses under the workers' compensation law.
- Require the Workers' Compensation Commission, in consultation with the MIA Insurance Fraud Division and in collaboration with specified persons, to study how to prevent, identify, and deter workers' compensation fraud.

Effective date: July 1, 2004

MISCELLANEOUS

HOUSE BILL 3 (CHAPTER 8) / SENATE BILL 415 (CHAPTER 7) - Hurricane Isabel Disaster Relief Act

- Establishes the Hurricane Isabel Housing Rehabilitation and Renovation Program within the Department of Housing and Community Development.

Effective date: March 29, 2004

HOUSE BILL 533 (Chapter 49) - Insurance - Impaired Insurers

- Under § 9-201(h) of the Insurance Article, clarifies the definition of impaired insurer to provide for a clearer understanding of what is considered in determining whether an insurer is impaired.

Effective date: October 1, 2004

SENATE BILL 147 (Chapter 253) - Insurance - Regulation of Insurance Producers - Written Documentation of Appointment

- Amends § 10-118(c)(2) to establish that an insurance producer may not act on behalf of an insurer unless the insurance producer has received written documentation of the appointment from the insurer.

Effective date: October 1, 2004

SENATE BILL 242 (Chapter 258) - Criminal Procedure - Statute of Limitations - Prosecutions for Criminal Violation of Insurance Law

- Amends § 5-106 of the Courts and Judicial Proceedings Article to require that a misdemeanor offense under the Insurance Article shall be instituted within three years after the offense was committed.

Effective date: October 1, 2004