

discriminatory reason refuse to underwrite or cancel any contract for a service for which the license is required, or deny a claim, or require a policyholder or subscriber to accept less than the amount due; to empower the Insurance Commissioner to conduct investigations and hearings to enforce the Section; to provide certain procedures and standards upon which the Insurance Commissioner may rely during hearings in enforcing the Section; and to provide penalties for the violation thereof.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section 354C be and it is hereby added to Article 48A of the Annotated Code of Maryland (1972 Replacement Volume), title "Insurance Code," subtitle "20. Nonprofit Health Service Plans," to follow immediately after Section 354B thereof, to read as follows:

354C.

(A) IT SHALL BE UNLAWFUL FOR ANY CORPORATION REQUIRED TO BE LICENSED UNDER ANY SECTION OF THIS SUBTITLE AND MAINTAINING OR OPERATING A NONPROFIT HEALTH SERVICE PLAN TO DO OR CAUSE TO BE DONE, DIRECTLY OR INDIRECTLY, ANY OF THE FOLLOWING ACTS:

(I) TO MAKE, PUBLISH, DECLARE, FOLLOW OR PRACTICE ANY UNDERWRITING STANDARD WITH RESPECT TO ANY NONPROFIT HEALTH SERVICE PLAN WHICH IS ARBITRARY, UNFAIR, CAPRICIOUS OR UNFAIRLY DISCRIMINATORY.

(II) TO REFUSE TO UNDERWRITE OR CANCEL ANY CONTRACT, CERTIFICATE OR POLICY UNDER A NONPROFIT HEALTH SERVICE PLAN FOR ANY ARBITRARY, CAPRICIOUS OR UNFAIRLY DISCRIMINATORY REASON.

(III) TO REFUSE TO ENROLL OR CANCEL ANY PERSON UNDER ANY EXISTING CONTRACT, CERTIFICATE OR POLICY UNDER A NONPROFIT HEALTH SERVICE PLAN FOR ANY UNFAIR, ARBITRARY, CAPRICIOUS OR UNFAIRLY DISCRIMINATORY REASON.

(IV) TO DENY A CLAIM MADE BY ANY PERSON UNDER A CONTRACT, CERTIFICATE OR POLICY UNDER A NONPROFIT HEALTH SERVICE PLAN FOR ANY UNFAIR, ARBITRARY, CAPRICIOUS OR UNFAIRLY DISCRIMINATORY REASON.

(V) TO REQUIRE WITHOUT JUST CAUSE ANY PERSON MAKING A CLAIM UNDER A CONTRACT, CERTIFICATE OR POLICY UNDER A NONPROFIT HEALTH SERVICE PLAN TO ACCEPT LESS THAN THE AMOUNT DUE.

(B) THE INSURANCE COMMISSIONER IS EMPOWERED TO CONDUCT SUCH INVESTIGATIONS AND/OR HEARINGS AS HE SHALL DEEM NECESSARY TO ENFORCE THIS SECTION. IN THE CONDUCT OF SUCH INVESTIGATIONS AND/OR HEARINGS, THE INSURANCE COMMISSIONER SHALL HAVE THE SAME POWERS WITH RESPECT TO NONPROFIT HEALTH SERVICE PLANS AS ARE GRANTED UNDER SUBTITLE 2 AND SUBTITLE 3 OF THIS ARTICLE WITH RESPECT TO ANY OTHER INSURANCE ACTIVITY REGULATED UNDER THIS ARTICLE, WITHOUT EXCEPTION.