

Commissioner certain authority over group health insurance rates and relating generally to the disapproval of certain insurance forms by the Commissioner.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section 375A be and it is hereby added to Article 48A of the Annotated Code of Maryland (1972 Replacement Volume), title "Insurance Code," subtitle "22. Insurance Contracts Generally," to follow immediately after Section 375 thereof; and that Section 376 of Article 48A of the Code, same title and subtitle, be and it is hereby repealed and that new Section 376 be and it is hereby enacted, in lieu thereof, to stand in the place of the section repealed; and all to read as follows:

375A.

IN ORDER TO PREVENT FRAUD, THE ISSUANCE OF INSURANCE ECONOMICALLY UNSOUND TO THE INSURED AND TO ENSURE THAT CERTAIN MINIMUM BENEFITS OR COVERAGE IS MADE AVAILABLE TO THE POLICY OR CERTIFICATE HOLDER, THE INSURANCE COMMISSIONER MAY ORDER AND HOLD HEARINGS TO DETERMINE IF HEALTH, ACCIDENT AND DISABILITY INSURANCE POLICIES MEET THE REQUIREMENTS SET FORTH IN SECTION 376 OF THIS SUBTITLE. THE INSURANCE COMMISSIONER, AFTER ANY HEARINGS ARE HELD AND THE RESULTS THEREOF ARE EVALUATED, SHALL ESTABLISH AND PROMULGATE MINIMUM REQUIREMENTS AND RULES IN COMPLIANCE WITH SECTION 376 OF ARTICLE 48A IN ORDER TO ENSURE THAT MINIMUM BENEFITS OR COVERAGE IS MADE AVAILABLE.

376.

[The Commissioner shall disapprove any form filed under § 375, or withdraw any previous approval thereof, if the form:

- (1) Is in any respect in violation of or does not comply with this article; or
- (2) Contains or incorporates by reference, where said incorporation is otherwise permissible, any inconsistent, ambiguous, or misleading clauses, or exceptions and conditions which deceptively affect the risk purported to be assumed in the general coverage of the contract; or
- (3) Has any title, heading, or other indication of its provisions which is likely to mislead the policyholder or certificate holder; or
- (4) Contains an inequitable provision or provisions of insurance without substantial benefit to the policyholder; or
- (5) Is printed or otherwise reproduced in such manner as to render any provision of the form substantially illegible; or
- (6) If the benefits provided in any health insurance policy other than a group policy are unreasonable in relation to the premium charged.]

(A) THE COMMISSIONER SHALL DISAPPROVE ANY FORM FILED UNDER SECTION 375 OF THIS SUBTITLE OR WITHDRAW ANY PREVIOUS APPROVAL IF THE FORMS DO NOT MEET THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION. FURTHERMORE, THE COMMISSIONER MAY SET FORTH REASONABLE RULES AND REGULATIONS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION IN ORDER TO ESTABLISH MINIMUM BENEFITS AND COVERAGES AS MAY BE REQUIRED.

(B) THE COMMISSIONER SHALL DISAPPROVE ANY FORM FILED, OR WITHDRAW ANY PREVIOUS APPROVAL, IF THE FORM: