the United States" to use the defined term.

Defined terms: "Person" § 1–101
"State" § 1–101

27–302. SCOPE OF SUBTITLE.

(A) POLICIES COVERED.

THIS SUBTITLE APPLIES TO EACH INDIVIDUAL OR GROUP POLICY, CONTRACT, OR CERTIFICATE OF AN INSURER OR NONPROFIT HEALTH SERVICE PLAN THAT:

(1) IS DELIVERED OR ISSUED IN THE STATE;

(2) IS ISSUED TO A GROUP THAT HAS A MAIN OFFICE IN THE STATE; OR

(3) COVERS INDIVIDUALS WHO RESIDE OR WORK IN THE STATE.

(B) EXCLUSIONS.

THIS SUBTITLE DOES NOT APPLY TO:

(1) REINSURANCE;

(2) WORKERS' COMPENSATION INSURANCE; OR

(3) SURETY INSURANCE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 230A(a) and (b).

In the introductory language of subsection (a) of this section, the former phrase "authorized under the provisions of Subtitle 20 of this article", which modified "nonprofit health service plan", is deleted as surplusage.

In subsection (b)(2) and (3) of this section, the references to "insurance" are added for clarity.

Defined terms: "Insurer" § 1–101
"Policy" § 1–101
"Reinsurance" § 1–101
"Surety insurance" § 1–101

27–303. UNFAIR CLAIM SETTLEMENT PRACTICES — IN GENERAL.

IT IS AN UNFAIR CLAIM SETTLEMENT PRACTICE AND A VIOLATION OF THIS SUBTITLE FOR AN INSURER OR NONPROFIT HEALTH SERVICE PLAN TO:

(1) MISREPRESENT PERTINENT FACTS OR POLICY PROVISIONS THAT RELATE TO THE CLAIM OR COVERAGE AT ISSUE;

(2) REFUSE TO PAY A CLAIM FOR AN ARBITRARY OR CAPRICIOUS REASON BASED ON ALL AVAILABLE INFORMATION;