

Annotated Code of Maryland(1995 Volume and 1996 Supplement)(As enacted by Chapter 36 of the Acts of the General Assembly of 1995 and Chapter _____ (H.B. 387) of the Acts of the General Assembly of 1997)

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

Article - Insurance

~~27-911.~~

~~(A) THIS SECTION APPLIES ONLY TO POLICIES OF:~~

- ~~(1) LIFE INSURANCE; AND~~
- ~~(2) HEALTH INSURANCE.~~

~~(B) WHEN AN INSURER REJECTS AN APPLICATION FOR A POLICY, THE INSURER SHALL MAIL TO THE ADDRESS OF THE APPLICANT AS INDICATED ON THE APPLICATION WITHIN 30 DAYS OF THE DATE OF THE APPLICATION:~~

- ~~(1) A NOTICE OF THE REJECTION; AND~~
- ~~(2) A STATEMENT OF THE ACTUAL MEDICAL OR OTHER REASON FOR REJECTION THAT CONFORMS WITH THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION.~~

~~(C) THE STATEMENT OF ACTUAL REASON FOR REJECTION:~~

~~(1) IF BASED IN WHOLE OR IN PART ON A MEDICAL REASON, SHALL STATE THE TYPE OF MEDICAL TEST USED AND THE RESULT OF THE MEDICAL TEST USED;~~

~~(2) SHALL BE SUFFICIENTLY CLEAR AND SPECIFIC SO THAT AN APPLICANT OF REASONABLE INTELLIGENCE CAN IDENTIFY THE BASIS FOR THE INSURER'S DECISION WITHOUT MAKING FURTHER INQUIRY; AND~~

~~(3) MAY NOT CONTAIN GENERALIZED TERMS SUCH AS "PERSONAL HABITS", "PHYSICAL HANDICAP OR DISABILITY", "LIVING CONDITIONS", "POOR MORALS", "VIOLATION OR ACCIDENT RECORD", OR "INFORMATION BASED ON MEDICAL TESTS".~~

~~(D) A STATEMENT OF ACTUAL REASON FOR REJECTION IS PRIVILEGED AND DOES NOT CONSTITUTE GROUNDS FOR AN ACTION AGAINST THE INSURER, ITS REPRESENTATIVES, OR ANOTHER PERSON THAT IN GOOD FAITH PROVIDES TO THE INSURER INFORMATION ON WHICH THE STATEMENT IS BASED.~~

~~(E) THE INSURER MUST PROMPTLY FILE A COPY OF EACH STATEMENT OF ACTUAL REASON FOR REJECTION WITH THE COMMISSIONER.~~