

CHAPTER 305

(House Bill 499)

AN ACT concerning

Maryland Insurance Administration - Disability Benefits - Adoption of Regulations

FOR the purpose of requiring the Maryland Insurance Commissioner to adopt certain regulations establishing a process to be used by certain insurers for handling disability benefit claims under certain circumstances; requiring certain insurers under certain circumstances to provide an insured with a process to dispute an insurer's disability benefit decision; providing that certain regulations establishing a process to be used by insurers offering individual disability benefit policies may not take effect until a certain date; and generally relating to claims procedures for disability benefits.

BY adding to

Article - Insurance

Section 15-1010

Annotated Code of Maryland

(2002 Replacement Volume and 2002 Supplement)

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

Article - Insurance

15-1010.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) (I) "DISABILITY BENEFIT" MEANS A BENEFIT THAT IS PAYABLE BASED ON THE DISABILITY OF A COVERED INDIVIDUAL.

(II) "DISABILITY BENEFIT" DOES NOT INCLUDE:

1. LONG-TERM CARE INSURANCE;
2. A BENEFIT THAT IS PAYABLE BASED SOLELY ON A DISMEMBERMENT OF A COVERED INDIVIDUAL;
3. BENEFITS IN A LIFE INSURANCE POLICY THAT OPERATE TO SAFEGUARD THE CONTRACT FROM LAPSE OR TO PROVIDE A SPECIAL SURRENDER VALUE, SPECIAL BENEFIT, OR ANNUITY IN THE EVENT OF TOTAL AND PERMANENT DISABILITY; OR
4. BENEFITS IN A HEALTH INSURANCE POLICY THAT OPERATE TO SAFEGUARD THE CONTRACT FROM LAPSE DUE TO DISABILITY.