

15-10A-05 OF THIS TITLE, THE DEPARTMENT, THE BOARD, OR ANY OTHER APPROPRIATE ENTITY FOR PURPOSES OF TAKING AN ACTION DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION.

27-303.

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;
- (3) attempt to settle a claim based on an application that is altered without notice to, or the knowledge or consent of, the insured;
- (4) fail to include with each claim paid to an insured or beneficiary a statement of the coverage under which payment is being made;
- (5) fail to settle a claim promptly whenever liability is reasonably clear under one part of a policy, in order to influence settlements under other parts of the policy;
- (6) fail to provide promptly on request a reasonable explanation of the basis for a denial of a claim; [or]
- (7) fail to meet the requirements of [Title 19, Subtitle 13 of the Health - General Article] TITLE 15, SUBTITLE 10B OF THIS ARTICLE for preauthorization for a health care service; OR
- (8) FAIL TO COMPLY WITH THE PROVISIONS OF TITLE 15, SUBTITLE 10A OF THIS ARTICLE.

27-304.

It is an unfair claim settlement practice and a violation of this subtitle for an insurer or nonprofit health service plan, when committed with the frequency to indicate a general business practice, to:

- (1) misrepresent pertinent facts or policy provisions that relate to the claim or coverage at issue;
- (2) fail to acknowledge and act with reasonable promptness on communications about claims that arise under policies;
- (3) fail to adopt and implement reasonable standards for the prompt investigation of claims that arise under policies;
- (4) refuse to pay a claim without conducting a reasonable investigation based on all available information;