

SENATE BILL 552

C4

5lr0069

By: **Chair, Finance Committee (By Request – Departmental – Maryland Insurance Administration)**

Introduced and read first time: February 6, 2015

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Life Insurance – Payment of Death Benefits Under Group Policies**

3 FOR the purpose of requiring an insurer that issues a policy of group life insurance under
4 certain provisions of law to pay, to the beneficiary designated by an individual
5 insured under a certificate issued under the policy, the certificate death benefit, if
6 the insurer accepts premiums for coverage of the insured after the insured's
7 eligibility for coverage has terminated for certain reasons and the insured dies
8 during a certain period of coverage; and generally relating to payment of death
9 benefits under group life insurance policies.

10 BY adding to
11 Article – Insurance
12 Section 17–105
13 Annotated Code of Maryland
14 (2011 Replacement Volume and 2014 Supplement)

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

17 **Article – Insurance**

18 **17–105.**

19 **SUBJECT TO § 17–307 OF THIS TITLE, AN INSURER THAT ISSUES A POLICY OF**
20 **GROUP LIFE INSURANCE IN ACCORDANCE WITH §§ 17–201 THROUGH 17–208 OF THIS**
21 **TITLE SHALL PAY, TO THE BENEFICIARY DESIGNATED BY AN INDIVIDUAL INSURED**
22 **UNDER A CERTIFICATE ISSUED UNDER THE POLICY, THE CERTIFICATE DEATH**
23 **BENEFIT IF:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(1) THE INSURER ACCEPTS PREMIUMS FOR COVERAGE OF THE**
2 **INSURED AFTER THE INSURED'S ELIGIBILITY FOR COVERAGE HAS ENDED BECAUSE**
3 **OF TERMINATION OF THE INSURED'S:**

4 **(I) EMPLOYMENT; OR**

5 **(II) MEMBERSHIP IN THE CLASS OR CLASSES ELIGIBLE FOR**
6 **COVERAGE UNDER THE POLICY; AND**

7 **(2) THE INSURED DIES DURING A PERIOD OF COVERAGE FOR WHICH**
8 **THE REQUIRED PREMIUM WAS PAID AND ACCEPTED.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2015.