

HOUSE BILL 1069

C4, J5, J4

5lr2685

By: Delegates Woorman and Kaufman, Kaufman, Alston, Bagnall, Bhandari, Chisholm, Cullison, Guzzone, Hill, Hutchinson, S. Johnson, Kaiser, Kerr, Kipke, Lopez, Martinez, M. Morgan, Pena-Melnyk, Reilly, Rosenberg, Ross, Szeliga, Taveras, White Holland, and Woods

Introduced and read first time: February 5, 2025

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 27, 2025

CHAPTER _____

1 AN ACT concerning

2 **Life and Health Insurance Policies and Annuity and Health Maintenance**
3 **Organization Contracts – Discretionary Clauses – Prohibition**

4 FOR the purpose of prohibiting the use of discretionary clauses in health insurance policies,
5 life insurance policies, ~~and~~ annuity contracts, and health maintenance organization
6 contracts; and generally relating to life and health insurance policies and annuity
7 and health maintenance organization contracts.

8 BY adding to

9 Article – Health – General

10 Section 19–706(q)

11 Annotated Code of Maryland

12 (2023 Replacement Volume and 2024 Supplement)

13 BY repealing and reenacting, with amendments,

14 Article – Insurance

15 Section 12–211

16 Annotated Code of Maryland

17 (2017 Replacement Volume and 2024 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Health – General

2 19–706.

3 (Q) THE PROVISIONS OF § 12–211 OF THE INSURANCE ARTICLE APPLY TO
4 HEALTH MAINTENANCE ORGANIZATIONS.

5 Article – Insurance

6 12–211.

7 (a) In this section, “carrier” means:

8 (1) an insurer; [or]

9 (2) a nonprofit health service plan; OR

10 (3) A HEALTH MAINTENANCE ORGANIZATION.

11 (b) A HEALTH INSURANCE POLICY, A LIFE INSURANCE POLICY, AN ANNUITY
12 CONTRACT, A HEALTH MAINTENANCE ORGANIZATION CONTRACT, OR A disability
13 insurance policy may not be sold, delivered, or issued for delivery in the State by a carrier
14 if the policy contains a clause that purports to reserve sole discretion to the carrier to
15 interpret the terms of the policy or to provide standards of interpretation or review that are
16 inconsistent with the laws of the State.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
18 policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or
19 after January 1, 2026.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2025.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.