

to limit or reduce the extent of the period during which an insurer may void a policy or raise certain defenses to claims.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 441 of Article 48A of the Annotated Code of Maryland (1968 Replacement Volume), title "Insurance Code," subtitle "Health Insurance," be and it is hereby repealed and re-enacted, with amendments, to read as follows:

441.

There shall be a provision as follows:

"Time limit on certain defenses: (1) After two years from the date of issue of this policy no misstatements, except fraudulent misstatements, made by the applicant in the application for such policy shall be used to void the policy or to deny a claim for loss incurred or disability (as defined in the policy) commencing after the expiration of such two-year period."

(The foregoing policy provision shall not be so construed as to affect any legal requirement for avoidance of a policy or denial of a claim during such initial two-year period, nor to limit the application of Sections 453 through 457 of this subtitle in the event of misstatement with respect to age or occupation or other insurance.)

(A policy which the insured has the right to continue in force subject to its terms by the timely payment of premium (1) until at least age fifty (50) or, (2) in the case of a policy issued after age forty-four (44), for at least five (5) years from its date of issue, may contain in lieu of the foregoing the following provision (from which the clause in parentheses may be omitted at the insurer's option) under the caption "Incontestable."

"After this policy has been in force for a period of ~~three~~ two years during the lifetime of the insured (excluding any period during which the insured is disabled), it shall become incontestable as to the statements contained in the application."

(2) "No claim for loss incurred or disability (as defined in the policy) commencing after ~~three~~ two years from the date of issue of this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy."

SEC. 2. *And be it further enacted,* That this Act shall take effect July 1, 1971.

Approved May 6, 1971.

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CHAPTER 368

(Senate Bill 185)

AN ACT to repeal and re-enact, with amendments, Section 16-10 (e) of the Code of Public Local Laws of Baltimore City (1969 Edition, being Article 4 of the Code of Public Local Laws of Maryland),