

**CHAPTER 400**

**(Senate Bill 658)**

AN ACT concerning

**Life Insurance - Prohibited Use of Terrorism Exclusions**

FOR the purpose of prohibiting the delivery or issuance for delivery in the State of a group policy of life insurance if the policy, under certain circumstances, excludes or restricts liability for death that is the result of terrorism; clarifying the prohibition on the delivery or issuance for delivery in the State of a policy of life insurance if the policy, under certain circumstances, excludes or restricts liability for death that is the result of terrorism; requiring the Maryland Insurance Commissioner to adopt certain regulations; and generally relating to the prohibited use of certain exclusions in policies of life insurance.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 16-215 and 17-101

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**

16-215.

(a) Except as otherwise provided in this section, a policy of life insurance may not be delivered or issued for delivery in the State if the policy excludes or restricts liability for death that is caused in a specified manner or occurs while the insured has a specified status.

(b) (1) **[A]** EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A policy of life insurance may contain a provision that excludes or restricts coverage for death under any of the following circumstances:

- (i) death as a direct or indirect result of:
  1. a declared or undeclared war;
  2. action by military forces;
  3. an act or hazard of a declared or undeclared war or of an action by military forces;
  4. service in the military forces or in civilian forces auxiliary to the military forces; or