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BULLETIN 10-13

Date: April 29, 2010

To: Life Insurers

Re: Life Insurance Underwriting and § 27-501 of the Insurance Article

The Maryland Insurance Administration would like to remind life insurers who deliver or issue policies for delivery in Maryland that underwriting decisions, including rescissions, are required to comply with Insurance Article, § 27-501, Annotated Code of Maryland.

If the Maryland Insurance Administration receives a complaint concerning the underwriting of a life insurance policy, an insurer will be expected to document compliance with § 27-501 of the Insurance Article. The documentation provided to the Maryland Insurance Administration in response to a complaint investigation is required to include:

1. The insurer's applicable underwriting requirements; and
2. A demonstration that the insurer's underwriting decision was not arbitrary, capricious, or unfairly discriminatory, and was made by the application of standards that are reasonably related to the insurer's economic and business purposes.

Questions about this bulletin may be addressed to the Life and Health Complaints Section of the Maryland Insurance Administration at 410-468-2224.

Signature on file with original

Brenda A. Wilson
Associate Commissioner
Life and Health Section