
By: Delegates Redmer and Ports

Introduced and read first time: February 21, 1997

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 20, 1997

CHAPTER ____

1 AN ACT concerning

2 **Health Insurance - Notice of Renewal**

3 FOR the purpose of requiring a carrier, before renewing a health benefit plan, to mail a
4 certain notice of renewal to an insured or policyholder at least a certain number of
5 days before the expiration of the health benefit plan; requiring a carrier to mail a
6 certain notice of renewal to a small employer at least a certain number of days
7 before the expiration of a health benefit plan under certain circumstances; defining
8 a certain term; and generally relating to a notice of renewal in health insurance.

9 BY adding to

10 Article - Insurance
11 Section 15-121
12 Annotated Code of Maryland
13 (1995 Volume and 1996 Supplement)
14 (As enacted by Chapter ____ (H.B. 11) of the Acts of the General Assembly of
15 1997)

16 BY repealing and reenacting, with amendments,

17 Article - Insurance
18 Section 15-1212(a)
19 Annotated Code of Maryland
20 (1995 Volume and 1996 Supplement)
21 (As enacted by Chapter ____ (H.B. 11) of the Acts of the General Assembly of
22 1997)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

24 MARYLAND, That the Laws of Maryland read as follows:

2

1 **Article - Insurance**

2 15-121.

3 (A) IN THIS SECTION, "CARRIER" MEANS:

4 (1) AN INSURER;

5 (2) A NONPROFIT HEALTH SERVICE PLAN;

6 (3) A HEALTH MAINTENANCE ORGANIZATION;

7 (4) A DENTAL PLAN ORGANIZATION; OR

8 (5) ANY OTHER PERSON THAT PROVIDES HEALTH BENEFIT PLANS
9 SUBJECT TO REGULATION BY THE STATE.

10 (B) BEFORE RENEWING A HEALTH BENEFIT PLAN, A CARRIER SHALL MAIL A
11 NOTICE OF RENEWAL TO THE INSURED OR POLICYHOLDER AT LEAST 30 DAYS
12 BEFORE THE EXPIRATION OF THE HEALTH BENEFIT PLAN.

13 (C) THE NOTICE OF RENEWAL SHALL INCLUDE THE DATES OF THE RENEWAL
14 PERIOD, THE HEALTH BENEFIT PLAN RATES, AND THE TERMS OF COVERAGE UNDER
15 THE HEALTH BENEFIT PLAN.

16 15-1212.

17 (a) (1) Except as provided in subsections (b) and (c) of this section, a carrier
18 shall renew a health benefit plan at the option of the small employer.

19 (2) On renewal, a carrier may not exclude eligible employees or dependents
20 from a health benefit plan.

21 (3) (I) A CARRIER SHALL MAIL A NOTICE OF RENEWAL TO THE
22 SMALL EMPLOYER AT LEAST 30 DAYS BEFORE THE EXPIRATION OF A HEALTH
23 BENEFIT PLAN.

24 (II) THE NOTICE OF RENEWAL SHALL INCLUDE THE DATES OF THE
25 RENEWAL PERIOD, THE HEALTH BENEFIT PLAN RATES, AND THE TERMS OF
26 COVERAGE UNDER THE HEALTH BENEFIT PLAN.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 1997.