

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL 360
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 7, after “individual;” insert “repealing certain provisions of law that entitle certain insured individuals, whose coverage under certain group insurance policies is terminated for a certain reason, to certain individual insurance policies;”; and in line 27, after “15-410,” insert “15-412.”.

AMENDMENT NO. 2

On page 3, after line 21, insert:

“15-412.

(a) In this section, “insured individual” includes:

(1) an employee or member who is covered under a group policy; and

(2) an eligible dependent of an employee or member who is covered under a group policy.

(b) (1) This section applies to:

(i) each group insurance policy that insures employees or members for hospital, surgical, or major medical insurance on an expense-incurred or service basis, other than a policy that provides coverage only for specific diseases or for accidental injuries; and

(Over)

(ii) each group insurance policy that is delivered or issued for delivery in the State by a nonprofit health service plan and that insures employees or members and their dependents for hospital, medical, major medical, or surgical insurance on an expense-incurred or service basis, other than a policy that provides coverage only for specific diseases or for accidental injuries.

(2) This section applies to each group policy that is delivered or renewed in the State on the effective date or renewal anniversary date, whichever is later, of the policy.

(c) Each group policy subject to this section shall provide that an insured individual whose coverage under the group policy is terminated for any reason other than failure of the insured individual to pay a required premium or contribution is entitled, on timely written request and without evidence of insurability, to an individual policy of hospital and medical insurance.

(d) The Commissioner may:

(1) exempt from the requirements of this section certain types of group policies or certain types of coverage under group policies that the Commissioner considers appropriate; and

(2) establish conditions under which the conversion privilege does not apply, which may include the replacement of terminated coverage by similar group coverage or by a health program sponsored by a government or the group policyholder.

(e) An individual policy issued under this section shall cover the insured individual whose coverage under the group policy is terminated and any eligible dependents of that insured individual who were covered under the group policy.

(f) An individual policy issued under this section shall take effect immediately after the termination of coverage under the group policy.

(g) (1) An individual policy issued under this section shall provide the benefits that the Commissioner requires.

(2) The Commissioner may establish different requirements and levels of benefits for various types of group policies and coverage.

(3) In establishing minimum requirements, the Commissioner may establish exclusions and benefit limitations that the Commissioner considers appropriate.

(h) The premium for an individual policy issued under this section shall be determined in accordance with the insurer's or nonprofit health service plan's table of premium rates that is applicable to the age and class of risk of each individual covered under the policy and to the type and amount of insurance provided.

(i) (1) The Commissioner shall establish requirements that govern:

(i) notification by the insurer or nonprofit health service plan to the insured individual whose coverage under the group policy is being terminated of the right of conversion to an individual policy; and

(ii) the timely election of the conversion privilege.

(2) The notification requirements shall include a provision in each certificate provided to individuals covered under group or blanket health insurance policies that set forth the conditions applicable to election of the conversion privilege.

(j) Except as otherwise provided in this article, continuation of group coverage at the expense of the insured individual may be required for a period not exceeding 6 months.】