Article - Insurance

[Previous][Next]

§15–224.

(a) A policy of health insurance may contain the following provision:

"Relation of earnings to insurance: If the total monthly amount of loss-of-time benefits promised for the same loss under all valid loss-of-time coverage upon the insured, whether payable on a weekly or monthly basis, shall exceed the monthly earnings of the insured at the time disability commenced or his average monthly earnings for the period of two years immediately preceding a disability for which claim is made, whichever is the greater, the insurer will be liable only for such proportionate amount of such benefits under this policy as the amount of such monthly earnings or such average monthly earnings of the insured bears to the total amount of monthly benefits for the same loss under all such coverage upon the insured at the time such disability commences and for the return of such part of the premiums paid during such two years as shall exceed the pro rata amount of the premiums for the benefits actually paid hereunder; but this shall not operate to reduce the total monthly amount of benefits payable under all such coverage upon the insured below the sum of $200 or the sum of the monthly benefits specified in such coverages, whichever is the lesser, nor shall it operate to reduce benefits other than those payable for loss of time."

(b) The policy provision set forth in subsection (a) of this section may be inserted only in a policy that the insured may continue in effect subject to its terms by the timely payment of premiums:

(1) until the insured is at least 50 years old; or

(2) if the policy is issued after the insured is 44 years old, for at least 5 years after its date of issue.

(c) (1) The insurer may include in the provision set forth in subsection (a) of this section a definition of "valid loss-of-time coverage" if the definition:

(i) is approved as to form by the Commissioner;

(ii) is limited to:

1. coverage provided by governmental units or organizations subject to regulation by insurance law or insurance authorities of this State, another state, or a province of Canada;

2. any other coverage that the Commissioner may approve for inclusion; or

3. a combination of these coverages.

(2) Unless defined otherwise, "valid loss-of-time coverage" does not include:

(i) coverage provided for the insured under a compulsory benefit statute, including a workers' compensation or employer's liability statute; or

(ii) coverage provided by union welfare plans or by employer or employee benefit organizations.

[Previous][Next]