
By: Delegates Redmer and Ports

Introduced and read first time: February 21, 1997

Assigned to: Economic Matters

A BILL ENTITLED

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:

25 **Article - Insurance**

26 15-121.

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

28 (1) AN INSURER;

29 (2) A NONPROFIT HEALTH SERVICE PLAN;

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1 (3) A HEALTH MAINTENANCE ORGANIZATION;

2 (4) A DENTAL PLAN ORGANIZATION; OR

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

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

8 (C) THE NOTICE OF RENEWAL SHALL INCLUDE THE DATES OF THE RENEWAL
9 PERIOD, THE HEALTH BENEFIT PLAN RATES, AND THE TERMS OF COVERAGE UNDER
10 THE HEALTH BENEFIT PLAN.

11 15-1212.

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

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

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

19 (II) THE NOTICE OF RENEWAL SHALL INCLUDE THE DATES OF THE
20 RENEWAL PERIOD, THE HEALTH BENEFIT PLAN RATES, AND THE TERMS OF
21 COVERAGE UNDER THE HEALTH BENEFIT PLAN.

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