

CHAPTER 409

(House Bill 1158)

AN ACT concerning

Health Insurance - Continuation Coverage - Voluntary Termination of Employment

FOR the purpose of altering, for purposes of continuation coverage under health insurance, the definition of "change in status" to include voluntary termination of the insured's employment by the insured employee; requiring certain group contracts of health insurance to provide certain continuation coverage to the insured after the voluntary termination of the insured's employment for a certain period of time and in a certain manner; authorizing an insured or authorized representative to elect certain continuation coverage within a certain period of time after the voluntary termination of the insured's employment; providing for the application of this Act; and generally relating to continuation coverage under health insurance.

BY repealing and reenacting, with amendments,

Article - Insurance

Section 15-409

Annotated Code of Maryland

(1997 Volume and 2001 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Insurance

15-409.

(a) (1) In this section the following words have the meanings indicated.

(2) (I) "Change in status" means the [involuntary] termination of the insured's employment other than for cause.

(II) "CHANGE IN STATUS" INCLUDES:

1. INVOLUNTARY TERMINATION OF THE INSURED'S EMPLOYMENT OTHER THAN FOR CAUSE; AND

2. VOLUNTARY TERMINATION OF THE INSURED'S EMPLOYMENT BY THE INSURED EMPLOYEE.

(3) "Group contract" means:

(i) an insurance contract or policy that is issued or delivered in the State to the employer of the insured by an insurer or nonprofit health service plan and that provides group hospital, medical, or surgical benefits to the employees of the employer on an expense-incurred basis; or