

(I) AN EMPLOYEE OR MEMBER WHO IS COVERED UNDER A GROUP POLICY; OR

(II) AN ELIGIBLE DEPENDENT OF AN EMPLOYEE OR MEMBER WHO IS COVERED UNDER A GROUP POLICY.

(B) ALL GROUP INSURANCE POLICIES ISSUED PURSUANT TO THIS SUBTITLE WHICH INSURE EMPLOYEES OR MEMBERS FOR HOSPITAL, SURGICAL, OR MAJOR MEDICAL INSURANCE ON AN EXPENSE-INCURRED OR SERVICE BASIS OTHER THAN FOR SPECIFIC DISEASES OR FOR ACCIDENTAL INJURIES ONLY, SHALL PROVIDE THAT ANY INSURED PERSON WHOSE INSURANCE IS TERMINATED FOR ANY REASON OTHER THAN FAILURE TO PAY ANY REQUIRED PREMIUM OR CONTRIBUTION, SHALL UPON TIMELY WRITTEN REQUEST, HAVE ISSUED TO THE INSURED PERSON, WITHOUT EVIDENCE OF INSURABILITY, AN INDIVIDUAL POLICY OF HOSPITAL AND MEDICAL INSURANCE COVERING THE INSURED PERSON AND ANY OF THE INSURED PERSON'S ELIGIBLE DEPENDENTS WHO WERE COVERED UNDER THE GROUP POLICY. THE INDIVIDUAL POLICY SHALL BECOME EFFECTIVE IMMEDIATELY FOLLOWING THE TERMINATION OF COVERAGE UNDER THE GROUP POLICY.

(C) THE INDIVIDUAL CONVERTED POLICIES MUST PROVIDE BENEFITS AS REQUIRED BY THE COMMISSIONER. THE COMMISSIONER MAY ESTABLISH DIFFERENT REQUIREMENTS AND DIFFERENT LEVELS OF BENEFITS FOR VARIOUS TYPES OR CATEGORIES OF COVERAGE AND FOR VARYING TYPES OF GROUP POLICIES. IN ESTABLISHING MINIMUM REQUIREMENTS, THE COMMISSIONER MAY ESTABLISH EXCLUSIONS AND BENEFIT LIMITATIONS WHICH THE COMMISSIONER DEEMS APPROPRIATE. THE COMMISSIONER MAY EXEMPT CERTAIN TYPES OF GROUP POLICIES, AND CERTAIN TYPES OF COVERAGE UNDER SUCH POLICIES, FROM THE REQUIREMENTS OF THIS SECTION, WHERE, IN THE COMMISSIONER'S DISCRETION THE COMMISSIONER DEEMS SUCH EXEMPTION APPROPRIATE. THE COMMISSIONER MAY ESTABLISH CONDITIONS UNDER WHICH THE CONVERSION PRIVILEGE SHALL NOT BE OPERATIVE. SUCH CONDITIONS MAY INCLUDE, BUT NEED NOT BE LIMITED TO, REPLACEMENT OF A TERMINATED COVERAGE BY SIMILAR GROUP COVERAGE OR BY HEALTH PROGRAMS SPONSORED BY ANY GOVERNMENT OR BY THE GROUP POLICYHOLDER. THE PREMIUM FOR THE CONVERTED POLICY SHALL BE DETERMINED IN ACCORDANCE WITH THE INSURER'S TABLE OF PREMIUM RATES APPLICABLE TO THE AGE AND CLASS OF RISK OF EACH PERSON TO BE COVERED UNDER THAT POLICY AND TO THE TYPE AND AMOUNT OF INSURANCE PROVIDED.

(D) THE COMMISSIONER SHALL ESTABLISH NOTIFICATION REQUIREMENTS FOR THE INSURER TO THE PERSON WHOSE COVERAGE IS BEING TERMINATED OF THE INSURED PERSON'S RIGHT OF CONVERSION, AND REQUIREMENTS REGARDING THE TIMELY ELECTION