

nonprofit health service corporations are subject to the provisions concerning conversion rights; and generally relating to the conversion of group health insurance policies.

BY repealing and reenacting, with amendments,

Article 48A - Insurance Code
Section 477K
Annotated Code of Maryland
(1972 Replacement Volume and 1978 Supplement)

BY adding to

Article 48A - Insurance Code
Section ~~364D~~ 354S
Annotated Code of Maryland
(1972 Replacement Volume and 1978 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 48A - Insurance Code

477K.

(a) All group [hospital and medical] insurance policies issued pursuant to § 471 [(1) or (3)] , 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 him, without evidence of insurability, an individual policy of hospital and medical insurance covering him and any of his 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.

(b) 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 he 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 his discretion he deems such exemption appropriate. The Commissioner may establish conditions under which the conversion privilege shall not be operative. Such conditions may include, but