PREMIUM.

     (C)   THE INDIVIDUAL POLICY SHALL BE GUARANTEED RENEWABLE FOR THE TERM OR TO THE LIMITING AGE FOR WHICH BENEFITS WOULD HAVE BEEN PROVIDED HAD COVERAGE UNDER THE GROUP POLICY NOT TERMINATED. THE LEVEL OF BENEFITS UNDER THE INDIVIDUAL POLICY SHALL BE APPROXIMATELY EQUAL TO THE DISABILITY BENEFITS WHICH WOULD HAVE BEEN AFFORDED UNDER THE TERMINATED GROUP COVERAGE.

     (D)   THE PREMIUM FOR THE INDIVIDUAL POLICY SHALL BE DETERMINED IN ACCORDANCE WITH THE INSURER'S TABLE OF PREMIUM RATES APPLICABLE TO THE ATTAINED AGE AND THE CLASS OF RISK OF THE COVERED PERSON FOR THE TYPE AND AMOUNT OF COVERAGE PROVIDED UNDER THE CONVERTED POLICY.   THE INSURER SHALL RESERVE THE RIGHT TO CHANGE THE PREMIUMS ON ANY POLICY ANNIVERSARY SUBJECT TO APPROVAL BY THE COMMISSIONER.

     (E)   THE COMMISSIONER MAY ESTABLISH REQUIREMENTS AS TO NOTIFICATION BY THE INSURER OR THE GROUP POLICYHOLDER TO THE PERSON WHOSE COVERAGE IS BEING TERMINATED AS TO THE RIGHT OF CONVERSION TO AN INDIVIDUAL POLICY.

     (F)   THE COMMISSIONER MAY BY REGULATION EXEMPT CERTAIN TYPES OF GROUP POLICIES FROM THE REQUIREMENTS OF THIS SECTION WHERE IN HIS DISCRETION HE DEEMS THE EXEMPTION APPROPRIATE. EXCEPT AS THE COMMISSIONER PROVIDES BY REGULATION, THIS SECTION MAY NOT APPLY TO ANY GROUP POLICY ISSUED TO AN EMPLOYER TO COVER ITS EMPLOYEES.

     (G)   THE INSURER MAY LIMIT THE RIGHT OF CONVERSION TO PERSONS WHO HAVE BEEN COVERED UNDER THE GROUP POLICY FOR AT LEAST A YEAR.

     (H)   EVERY GROUP HEALTH INSURANCE POLICY ISSUED PRIOR TO THE EFFECTIVE DATE OF THIS SECTION SHALL BE AMENDED TO COMPLY WITH THE REQUIREMENTS OF THIS SECTION ON THE FIRST POLICY RENEWAL ANNIVERSARY DATE COINCIDING WITH OR FOLLOWING THE EFFECTIVE DATE OF THIS SECTION.

     (I)   NOTHING IN THIS SECTION SHALL APPLY TO A POLICY ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SUBTITLE 24A OF THIS ARTICLE IF THE INSURANCE UNDER THE POLICY IS TERMINATED AS A RESULT OF THE PREPAYMENT OR THE REFINANCING WITH THE SAME CREDITOR IN WHOLE OR IN PART OF A PRIOR DEBT.

     SECTION 2.   AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 1984.

                                            May 31, 1983

The Honorable Melvin A. Steinberg