

- (1) for nonpayment of premiums;
- (2) for fraud or intentional misrepresentation of material fact by the small employer;
- (3) for noncompliance with a material plan provision relating to employer contributions or group participation rules;
- (4) when the carrier elects not to renew:
 - (i) all of its health benefit plans that are issued to small employers in the State; or
 - (ii) the particular health benefit plan for all small employers in the State; or
- (5) in the case of a health maintenance organization, where there is no longer any enrollee who lives, resides, or works in the health maintenance organization's approved service area.

SECTION 2. AND BE IT FURTHER ENACTED, That each individual enrolled on September 30, 2005 in a health benefit plan under Title 15, Subtitle 12 of the Insurance Article ~~after meeting the criteria to be considered a self-employed individual or sole proprietor, shall, at the option of the enrollee and subject to the payment of all necessary premiums and copayments, be automatically enrolled in the Maryland Health Insurance Plan on October 1, 2005~~ may at the option of the enrollee remain covered under the policy issued under the health benefit plan, subject to the termination provisions under § 15-1212(b) of the Insurance Article, provided the enrollee continues to:

- (1) work and reside in the State; and
- (2) is a self-employed individual organized as a sole proprietorship or in any other legally recognized manner that a self-employed individual may organize:
 - (i) a substantial part of whose income derives from a trade or business through which the individual has attempted to earn taxable income;
 - (ii) who has filed the appropriate Internal Revenue form or forms and schedule for the previous taxable year; and
 - (iii) for whom a copy of the appropriate Internal Revenue form or forms and schedule has been filed with the carrier.

SECTION 3. AND BE IT FURTHER ENACTED, That ~~this Act shall apply to health benefit plans under Title 15, Subtitle 12 of the Insurance Article and health insurance policies under the Maryland Health Insurance Plan that are issued, delivered, or renewed in the State on or after October 1, 2005,~~ on or before September 1, 2008, the Maryland Insurance Administration and the Maryland Health Insurance Plan shall submit a report, in accordance with § 2-1246 of the State Government Article, to the Senate Finance Committee and the House Health and Government Operations Committee on: