

(I) ANY CONTRACT OR POLICY ISSUED OR DELIVERED IN THIS STATE TO THE EMPLOYER OF THE INSURED BY A NONPROFIT HEALTH SERVICE INSURANCE PLAN OR AN INSURANCE COMPANY WHICH PROVIDES GROUP HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO THE EMPLOYEES OF THE EMPLOYER ON AN EXPENSE INCURRED BASIS; OR

(II) ANY CONTRACT BETWEEN THE EMPLOYER OF THE INSURED AND A HEALTH MAINTENANCE ORGANIZATION CERTIFIED UNDER TITLE 19, SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE WHICH PROVIDES GROUP HOSPITAL, MEDICAL, OR SURGICAL BENEFITS OFFERED TO THE INSURED EMPLOYEES OF THE EMPLOYER.

(4) "INSURED" MEANS AN EMPLOYEE WHO IS A RESIDENT OF THIS STATE AND COVERED UNDER A GROUP CONTRACT FOR A PERIOD OF NOT LESS THAN 3 MONTHS.

(B) EVERY GROUP CONTRACT SHALL PROVIDE CONTINUATION BENEFITS MEETING THE REQUIREMENTS OF THIS SECTION.

(C) SUBJECT TO SUBSECTION (D) OF THIS SECTION, THE GROUP CONTRACT SHALL PROVIDE CONTINUATION BENEFITS TO AN INSURED AFTER AN APPLICABLE CHANGE IN STATUS.

(D) ANY CONTINUATION COVERAGE WHICH IS ELECTED BY OR ON BEHALF OF THE INSURED UNDER THE GROUP CONTRACT SHALL BE FOR A PERIOD BEGINNING ON THE DATE OF THE APPLICABLE CHANGE IN STATUS AND ENDING ON THE EARLIEST OF ANY OF THE FOLLOWING:

(1) 18 MONTHS AFTER THE DATE OF THE APPLICABLE CHANGE IN STATUS;

(2) THE DATE ON WHICH THE INSURED FAILS TO MAKE TIMELY PAYMENT OF ANY AMOUNT REQUIRED UNDER SUBSECTION (E)(2) OF THIS SECTION;

(3) THE DATE ON WHICH THE INSURED BECOMES ELIGIBLE FOR HOSPITAL, MEDICAL, OR SURGICAL BENEFITS UNDER A AN INSURED OR SELF INSURED GROUP HEALTH BENEFIT PROGRAM OR PLAN OTHER THAN THE GROUP CONTRACT WHICH IS:

(I) WRITTEN ON AN EXPENSE INCURRED BASIS; OR

(II) WITH A HEALTH MAINTENANCE ORGANIZATION;

(4) THE DATE ON WHICH THE INSURED BECOMES ENTITLED TO BENEFITS UNDER TITLE XVIII OF THE SOCIAL SECURITY ACT; OR

(5) THE DATE ON WHICH THE INSURED ACCEPTS HOSPITAL, MEDICAL, OR SURGICAL COVERAGE UNDER ANY NONGROUP CONTRACT OR POLICY:

(I) WRITTEN ON AN EXPENSE INCURRED BASIS; OR

(II) WITH A HEALTH MAINTENANCE ORGANIZATION;