

(d) Within 7 days following cancellation or nonrenewal of a health benefit plan, the carrier shall send written notice to each enrolled employee of its action and the conversion rights available to each enrolled employee under §§ 354T and 477K of this article.

706.

(a) (1) A carrier shall elect to become a risk-assuming carrier or a reinsuring carrier.

(2) An election to become a reinsuring carrier under this subsection shall be submitted to the Commissioner on a form and in a manner required by the Commissioner by September 1, 1994.

(3) The notification of a risk-assuming carrier shall include an appropriate opinion by an independent qualified actuary that the risk-assuming carrier is able to assume and manage the risk of enrolling [small employer] INDIVIDUALS OR groups without the protection of the pool.

(b) (1) The election shall be binding for a 3-year period.

(2) After the initial 3-year period, and every 5 years thereafter, carriers shall again elect to be a risk-assuming or reinsuring carrier. The election shall be binding for a 5-year period.

(3) The Commissioner may permit a carrier to change its election at any time for good cause shown.

(4) The Commission may allow a new carrier to make an election under conditions established by the Commissioner.

(c) In determining whether to approve an application by a carrier to change its election, the Commissioner shall consider:

(1) The applicant's financial condition and the financial condition of any parent or guaranteeing corporation;

(2) The applicant's history of assuming and managing risk;

(3) The applicant's commitment to market fairly to all [small employers] INDIVIDUALS OR GROUPS in the State or in its service area;

(4) The applicant's ability to assume and manage the risk of enrolling [small employer] INDIVIDUALS OR groups without the protection of the pool; and

(5) The effect of approval of the application on the financial viability of the pool.

(d) In considering an application under subsection (c) of this section, the carrier may request a hearing as provided under § 242B of this article.