

(5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, A CARRIER MAY DENY COVERAGE TO ANY SELF-EMPLOYED INDIVIDUAL WHO APPLIES FOR A HEALTH BENEFIT PLAN AT A TIME OTHER THAN THE CARRIER'S ANNUAL OPEN ENROLLMENT PERIOD.

704A.

IT SHALL BE DEEMED AN UNFAIR TRADE PRACTICE FOR THE PURPOSES OF SUBTITLE 15 OF THIS ARTICLE ("UNFAIR TRADE PRACTICES") FOR AN INSURER, INSURANCE AGENT, OR INSURANCE BROKER TO ARRANGE FOR AN INDIVIDUAL EMPLOYEE TO APPLY FOR AN INDIVIDUAL POLICY FOR THE PURPOSE OF SEPARATING THAT EMPLOYEE FROM GROUP HEALTH INSURANCE COVERAGE PROVIDED IN CONNECTION WITH THE EMPLOYEE'S EMPLOYMENT.

SECTION 2: 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article 48A - Insurance Code

709.

(a) (4) A reinsuring carrier may reinsure [an eligible employee] A GROUP MEMBER or dependent within a period of 60 days following the commencement of the GROUP'S coverage [with the small employer]. A reinsuring carrier may reinsure a newly eligible [employee] GROUP MEMBER or dependent within 60 days of the commencement of the [eligible employee's] NEW MEMBER'S or dependent's coverage.

SECTION 4. AND BE IT FURTHER ENACTED, That, notwithstanding the provisions of Section 2 of this Act and Article 48A, § 698A of the Code, Article 48A, Subtitle 55 of the Code does not apply to the renewal of any health benefit plan that was issued prior to the effective date of Section 2 of this Act to a self-employed individual by an authorized insurer that does not have any health benefit plan in force on or after the effective date of this Act that provides coverage to a small employer (as that term is defined in Section 2 of Chapter 9 of the Laws of Maryland of 1993) and any renewal of such a plan is not a renewal of a health benefit plan providing coverage to a small employer for any purpose under Article 48A, Subtitle 55 of the Code.

SECTION 5. AND BE IT FURTHER ENACTED, That notwithstanding the provisions of Section 2 of this Act and Article 48A, § 698A of the Code, Article 48A, Subtitle 55 of the Code does not apply to any health benefit plan issued or renewed to any self-employed individual who purchases health insurance coverage as an individual member of a group whose membership is not related to employment, whose purpose is not solely the provision of insurance coverage, and which has been in existence prior to July 1, 1994, providing individual health insurance coverage to its members.

SECTION 5: ~~6.~~ 7. AND BE IT FURTHER ENACTED, That the amendments to Article 48A, § 698 of the Code in Section 2 of this Act that include self-employed individuals in the provisions of Article 48A, Subtitle 55 of the Code shall take effect January July 1, 1996.

SECTION 3: ~~6.~~ 7. AND BE IT FURTHER ENACTED, That Section 2 ~~3~~ of this Act is contingent on the taking effect of the contingency provisions specified in Sections 5 and