

(4) "INSURED" MEANS AN EMPLOYEE WHO IS A RESIDENT OF THE STATE AND COVERED UNDER A CURRENT OR PREDECESSOR GROUP CONTRACT WITH THE SAME EMPLOYER FOR AT LEAST 3 MONTHS BEFORE DEATH.

(5) "QUALIFIED SECONDARY BENEFICIARY" MEANS AN INDIVIDUAL WHO IS:

(I) A BENEFICIARY UNDER THE GROUP CONTRACT AS THE SPOUSE OF THE INSURED FOR AT LEAST 30 DAYS IMMEDIATELY PRECEDING THE DEATH OF THE INSURED; OR

(II) A DEPENDENT CHILD OF THE INSURED.

(B) REQUIRED.

(1) EACH GROUP CONTRACT IN FORCE ON THE DATE OF THE DEATH OF THE INSURED SHALL PROVIDE CONTINUATION COVERAGE IN ACCORDANCE WITH THIS SECTION.

(2) SUBJECT TO SUBSECTION (C) OF THIS SECTION, IF CONTINUATION COVERAGE IS ELECTED BY OR ON BEHALF OF A QUALIFIED SECONDARY BENEFICIARY, THE GROUP CONTRACT SHALL PROVIDE CONTINUATION COVERAGE TO THE QUALIFIED SECONDARY BENEFICIARY AFTER THE DEATH OF THE INSURED.

(C) PERIOD OF CONTINUATION COVERAGE.

CONTINUATION COVERAGE THAT IS ELECTED BY OR ON BEHALF OF A QUALIFIED SECONDARY BENEFICIARY UNDER THE GROUP CONTRACT SHALL BEGIN ON THE DATE OF THE DEATH OF THE INSURED AND END ON THE EARLIEST OF THE FOLLOWING:

(1) 18 MONTHS AFTER THE DATE OF THE DEATH OF THE INSURED;

(2) THE DATE ON WHICH THE QUALIFIED SECONDARY BENEFICIARY FAILS TO MAKE TIMELY PAYMENT OF AN AMOUNT REQUIRED UNDER SUBSECTION (D)(2) OF THIS SECTION;

(3) THE DATE ON WHICH THE QUALIFIED SECONDARY BENEFICIARY BECOMES ELIGIBLE FOR HOSPITAL, MEDICAL, OR SURGICAL BENEFITS UNDER AN INSURED OR SELF-INSURED GROUP HEALTH BENEFIT PROGRAM OR PLAN, OTHER THAN THE GROUP CONTRACT, THAT IS WRITTEN ON AN EXPENSE-INCURRED BASIS OR IS WITH A HEALTH MAINTENANCE ORGANIZATION;

(4) THE DATE ON WHICH THE QUALIFIED SECONDARY BENEFICIARY BECOMES ENTITLED TO BENEFITS UNDER TITLE XVIII OF THE SOCIAL SECURITY ACT;

(5) THE DATE ON WHICH THE QUALIFIED SECONDARY BENEFICIARY ACCEPTS HOSPITAL, MEDICAL, OR SURGICAL COVERAGE UNDER A NONGROUP CONTRACT OR POLICY THAT IS WRITTEN ON AN EXPENSE-INCURRED BASIS OR IS WITH A HEALTH MAINTENANCE ORGANIZATION;