

AN EMPLOYER THAT TERMINATES CONTINUATION COVERAGE AFTER NOTICE OR NONPAYMENT OF AN AMOUNT REQUIRED UNDER SUBSECTION (D)(2) OF THIS SECTION BY THE INSURED OR OTHER COVERED INDIVIDUAL, OR AN INSURER THAT TERMINATES CONTINUATION COVERAGE AFTER NOTICE BY THE EMPLOYER, IS NOT LIABLE TO THE INSURED OR OTHER COVERED INDIVIDUAL FOR BENEFITS THAT OTHERWISE WOULD HAVE BEEN PAYABLE UNDER THIS SECTION IF THE TERMINATION:

- (1) IS MADE IN GOOD FAITH;
- (2) IS REASONABLE UNDER THE CIRCUMSTANCES; AND
- (3) IS NOT THE RESULT OF A MUTUAL OR MATERIAL MISTAKE OF FACT.

(K) CONVERSION PRIVILEGES NOT AFFECTED.

THIS SECTION DOES NOT AFFECT OR LIMIT THE RIGHT OF AN INSURED TO CONVERSION PRIVILEGES UNDER A GROUP CONTRACT.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 490-I and, as they referred to former § 490-I, §§ 354GG and 477HH.

In subsection (a)(2) of this section, the former reference to an "applicable" change in status is deleted as surplusage.

In subsection (a)(3)(i) of this section, the reference to an "insurance" contract is added for clarity and for consistency with similar provisions in §§ 15-407 and 15-408 of this subtitle.

Also in subsection (a)(3)(i) of this section, the reference to a nonprofit health service "insurance" plan is deleted for consistency with terminology used throughout this article.

In subsection (a)(4) of this section, the phrase "before the change in status" is added for clarity.

In subsection (b)(1) and (2) of this section, the references to continuation "coverage" are substituted for the former references to continuation "benefits" for consistency with terminology used throughout this subtitle. Similarly, in subsections (e)(1) and (2), (g)(1), and the introductory language of subsection (j) of this section, the references to "continuation" coverage are added. Similarly, in subsections (f)(1) and the introductory language of (h) of this section, the references to "continuation coverage" are substituted for former references to "benefits". Similarly, in subsection (f)(2) and (3) of this section, the references to "continuation coverage" are substituted for the former references to "such benefits". Similarly, in the introductory language of subsection (h) of this section, the reference to notice "of the availability of continuation coverage" is substituted for the former reference to notice "of the benefits".

In subsection (b)(2) of this section, the phrase "if continuation coverage is