

OR SERVICE BASIS, OTHER THAN A POLICY THAT PROVIDES COVERAGE ONLY FOR SPECIFIC DISEASES OR FOR ACCIDENTAL INJURIES.

(2) THIS SECTION APPLIES TO EACH GROUP POLICY THAT IS DELIVERED OR RENEWED IN THE STATE ON THE EFFECTIVE DATE OR RENEWAL ANNIVERSARY DATE, WHICHEVER IS LATER, OF THE POLICY.

(C) IN GENERAL.

EACH GROUP POLICY SUBJECT TO THIS SECTION SHALL PROVIDE THAT AN INSURED INDIVIDUAL WHOSE COVERAGE UNDER THE GROUP POLICY IS TERMINATED FOR ANY REASON OTHER THAN FAILURE OF THE INSURED INDIVIDUAL TO PAY A REQUIRED PREMIUM OR CONTRIBUTION IS ENTITLED, ON TIMELY WRITTEN REQUEST AND WITHOUT EVIDENCE OF INSURABILITY, TO AN INDIVIDUAL POLICY OF HOSPITAL AND MEDICAL INSURANCE.

(D) EXEMPTIONS.

THE COMMISSIONER MAY:

(1) EXEMPT FROM THE REQUIREMENTS OF THIS SECTION CERTAIN TYPES OF GROUP POLICIES OR CERTAIN TYPES OF COVERAGE UNDER GROUP POLICIES THAT THE COMMISSIONER CONSIDERS APPROPRIATE; AND

(2) ESTABLISH CONDITIONS UNDER WHICH THE CONVERSION PRIVILEGE DOES NOT APPLY, WHICH MAY INCLUDE THE REPLACEMENT OF TERMINATED COVERAGE BY SIMILAR GROUP COVERAGE OR BY A HEALTH PROGRAM SPONSORED BY A GOVERNMENT OR THE GROUP POLICYHOLDER.

(E) INDIVIDUAL POLICY — COVERAGE.

AN INDIVIDUAL POLICY ISSUED UNDER THIS SECTION SHALL COVER THE INSURED INDIVIDUAL WHOSE COVERAGE UNDER THE GROUP POLICY IS TERMINATED AND ANY ELIGIBLE DEPENDENTS OF THAT INSURED INDIVIDUAL WHO WERE COVERED UNDER THE GROUP POLICY.

(F) SAME — EFFECTIVE DATE.

AN INDIVIDUAL POLICY ISSUED UNDER THIS SECTION SHALL TAKE EFFECT IMMEDIATELY AFTER THE TERMINATION OF COVERAGE UNDER THE GROUP POLICY.

(G) SAME — REQUIRED BENEFITS.

(1) AN INDIVIDUAL POLICY ISSUED UNDER THIS SECTION SHALL PROVIDE THE BENEFITS THAT THE COMMISSIONER REQUIRES.

(2) THE COMMISSIONER MAY ESTABLISH DIFFERENT REQUIREMENTS AND LEVELS OF BENEFITS FOR VARIOUS TYPES OF GROUP POLICIES AND COVERAGE.