

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1983.

Approved May 31, 1983.

CHAPTER 638

(House Bill 946)

AN ACT concerning

Insurance - Group Health Insurance

FOR the purpose of providing a conversion privilege to persons whose coverage under a group health insurance policy is terminated; exempting certain types of policies from the provisions of this Act; and generally relating to group health insurance.

BY adding to

Article 48A - Insurance Code
Section 477L
Annotated Code of Maryland
(1979 Replacement Volume and 1982 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 48A - Insurance Code

477L.

(A) EVERY GROUP HEALTH INSURANCE POLICY ISSUED OR DELIVERED IN THIS STATE, OR ISSUED TO A POLICYHOLDER INCORPORATED OR HAVING A MAIN OFFICE LOCATED IN THIS STATE, OR COVERING PERSONS WHO RESIDE OR WORK WITHIN THIS STATE, WHICH AFFORDS BENEFITS IN EVENT OF THE DISABILITY OF PERSONS COVERED UNDER THE POLICY, SHALL PROVIDE THAT ANY COVERED PERSON WHOSE INSURANCE UNDER THE GROUP POLICY IS TERMINATED FOR ANY REASON OTHER THAN FAILURE OF THE COVERED PERSON TO PAY ANY REQUIRED PREMIUM OR CONTRIBUTION, SHALL HAVE ISSUED TO HIM WITHOUT EVIDENCE OF INSURABILITY AN INDIVIDUAL POLICY OF DISABILITY INCOME INSURANCE.

(B) THE INDIVIDUAL POLICY SHALL BECOME EFFECTIVE IMMEDIATELY FOLLOWING THE TERMINATION OF COVERAGE UNDER THE GROUP POLICY PROVIDED THE COVERED PERSON MAKES TIMELY WRITTEN REQUESTS AND PAYS THE FIRST PREMIUM FOR THE INDIVIDUAL POLICY. THE COMMISSIONER SHALL BY REGULATION ESTABLISH RULES DETERMINING