

GROUP HEALTH AND BLANKET INSURANCE 17B:27-51.12

Total disability of employee or member; continuation under group policy; conditions

A group policy delivered or issued for delivery in this State which insures employees or members and their dependents for hospital, surgical or major medical insurance on an expense incurred or service bases, other than for specific diseases or for accidental injuries only, shall provide that employees or members whose insurance under the group policy would otherwise terminate because of termination of employment or membership due to total disability of the employee or member shall be entitled to continue their hospital, surgical and major medical insurance under that group policy, for themselves and their eligible dependents, subject to all of the group policy's terms and conditions applicable to those forms of insurance and subject to the following conditions:

a. Continuation shall only be available to any employee or member who has been continuously insured under the group policy during the entire 3-month period ending with such termination.

b. Continuation shall be available for any person who is covered by or eligible for Medicare, subject to any nonduplication of benefits provisions in the group policy.

c. In addition to hospital, surgical, or major medical benefits, continuation shall include all other health care expense benefits provided under the group policy, including dental, vision care, or prescription drug benefits.

d. An employee or member electing continuation shall pay to the group policyholder or his employer, on a monthly basis in advance the amount of contribution required by the policyholder or employer, but not more than the group rate for the insurance being continued under the group policy on the due date of each payment. The employee's or member's written election for continuation, together with the first contribution required to establish contributions on a monthly basis in advance, shall be given to the policyholder or employer within 31 days of the date the employee's or member's insurance would otherwise terminate.

e. Continuation of insurance under the group policy for any person shall terminate at the first to occur of the following:

- (1) Failure of the former employee or member to make timely payment of a required contribution. Termination shall occur at the end of the period for which contributions were made.
 - (2) The date the employee again becomes employed and eligible for benefits under another group plan providing health care expense benefits, or in the case of a qualified dependent, the date such qualified dependent becomes employed and eligible for such benefits.
 - (3) The date on which the group policy is terminated or, in the case of an employee, the date his employer terminates participation under the group policy, provided
- (a) The employee or member shall have the right to become covered under any new group policy contracted for by the employer, for the balance of the prior that he would have remained covered under the prior group policy in accordance with this act had a termination of a group not occurred;
 - (b) The minimum level of benefits to be provided by the other group policy shall be the applicable level of benefits of the prior group policy reduced by any benefits payable under the group plan; and
 - (c) The prior group policy shall continue to provide benefits to the extent of its accrued liabilities and extensions of benefits as if the replacement had not occurred.
 - (d) A notification of the continuation privilege shall be included in each certificate of coverage.