

HOUSE BILL NO. 668

2/05 Introduced
2/05 Referred to Business & Labor
2/15 Hearing
Died in Committee

1 HOUSE BILL NO. 668
 2 INTRODUCED BY *Senator Van Valkenburg*
 3 *Wambach*

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR
 5 CONVERSION OF GROUP DISABILITY INSURANCE OR HOSPITAL OR
 6 MEDICAL SERVICE COVERAGE ON TERMINATION OF THE GROUP POLICY
 7 BY THE INSURER OR HEALTH SERVICE CORPORATION FOR ANY REASON
 8 OTHER THAN NONPAYMENT OF PREMIUM; AMENDING SECTIONS
 9 33-22-508 AND 33-30-1007, MCA."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 33-22-508, MCA, is amended to read:

13 "33-22-508. Conversion on termination of eligibility.

14 (1) A group disability insurance policy issued or renewed
 15 after October 1, 1981, shall contain a provision that if the
 16 insurance or any portion of it on a person, his dependents,
 17 or family members covered under the policy ceases because of
 18 termination of ~~his~~ the person's employment or of his
 19 membership in the class or classes eligible for coverage
 20 under the policy, termination of the group policy by the
 21 insurer for any reason other than nonpayment of premium, or
 22 as a result of his employer discontinuing his business, such
 23 person shall, provided he had been insured for a period of 3
 24 months, be entitled to have issued to him by the insurer,
 25 without evidence of insurability, an individual policy of

1 hospital or medical service insurance on himself, his
 2 dependents, or family members, provided application for the
 3 individual policy shall be made and the first premium
 4 tendered to the insurer within 31 days after the termination
 5 of group coverage.

6 (2) The individual policy, at the option of the
 7 insured, shall be on any of the forms then customarily
 8 issued by the insurer to individual policyholders with the
 9 exception of those policies whose eligibility is determined
 10 by affiliation other than by employment with a common
 11 entity.

12 (3) The premium on the individual policy shall be at
 13 the insurer's then customary rate applicable to the coverage
 14 of the individual policy."

15 Section 2. Section 33-30-1007, MCA, is amended to
 16 read:

17 "33-30-1007. Conversion on termination of eligibility.

18 (1) The group hospital or medical service plan contract
 19 issued or renewed by a health service corporation after
 20 October 1, 1981, shall contain a provision that if the
 21 insurance or any portion of it on a person, his dependents,
 22 or family members covered under the policy ceases because of
 23 termination of ~~his~~ the person's employment or of his
 24 membership in the class or classes eligible for coverage
 25 under the policy, termination of the group contract by the



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1 health service corporation for any reason other than
2 nonpayment of premium, or as a result of an employer
3 discontinuing his business, such person shall, provided he
4 has been insured for a period of 3 months, be entitled to
5 have issued to him by the insurer, without evidence of
6 insurability, an individual policy of hospital or medical
7 service insurance on himself, his dependents, or family
8 members, provided application for the individual policy
9 shall be made and the first premium tendered to the insurer
10 within 31 days after the termination of group coverage.

11 (2) The individual policy shall, at the option of the
12 insured, be on any of the forms then customarily issued by
13 the insurer to individual policyholders with the exception
14 of those whose eligibility is determined by their
15 affiliation other than by employment with a particular
16 entity.

17 (3) The premium on the individual policy shall be at
18 the insurer's then customary rate applicable to the coverage
19 of the individual policy but may not be greater than 150% of
20 the insurer's highest group rate for a policy with the same
21 benefits as the conversion policy."

22 NEW SECTION. Section 3. Extension of authority. Any
23 existing authority of the commissioner of insurance to make
24 rules on the subject of the provisions of this act is
25 extended to the provisions of this act.

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