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BULLETIN 10-27

Date: September 15, 2010

To: Insurers, Nonprofit Health Service Plans, and Health Maintenance Organizations
("Carriers") Issuing Health Benefit Plans in the Small Employer Market

Re: Small Group Terminations--§ 15-1212 of the Insurance Article

The Maryland Insurance Administration would like to remind carriers who have issued contracts in the small group market of the requirements of § 15-1212 of the Insurance Article when a contract is terminated. A health benefit plan issued to a small employer may only be terminated or non-renewed at the option of the small employer, unless the requirements of § 15-1212(b) or (c) of the Insurance Article are met. Notice of renewal is required to be sent 45 days prior to the renewal date to comply with § 15-1212(a) of the Insurance Article.

If a small employer's health benefit plan is terminated, §15-1212(e) of the Insurance Article requires that written notice be sent to the enrolled employees of the small employer by the carrier within 7 days after the cancellation or nonrenewal. The notice required by §15-1212(e) of the Insurance Article is required to include the employee's conversion rights.

Questions about this bulletin may be addressed to the Life and Health Complaints Section of the Maryland Insurance Administration at 410-468-2224.

Signature on file with original

Brenda A. Wilson
Associate Commissioner
Life and Health Section