

THE NONPROFIT HEALTH CARE CORPORATION REFORM ACT (EXCERPT)
Act 350 of 1980

550.1491 Renewal, continuation, or conversion of coverage; replacement of coverage.

Sec. 491. (1) Each medicare supplement certificate shall include a renewal or continuation provision. The provision shall be appropriately captioned, shall appear on the first page of the certificate, and shall clearly state the term of coverage for which the certificate is issued and for which it may be renewed. The provision shall include any reservation by the health care corporation of the right to change premiums and any automatic renewal premium increases based on the certificate holder's age.

(2) If a medicare supplement certificate is terminated by the group certificate holder and is not replaced as provided under subsection (4), the health care corporation shall offer certificate holders a nongroup medicare supplement certificate that at the option of the certificate holder provides for continuation of the benefits contained in the group certificate or provides for such benefits as otherwise meet the requirements of section 469.

(3) If an individual is a certificate holder in a group medicare supplement certificate and the individual terminates membership in the group, the health care corporation shall offer the certificate holder the conversion opportunity described in subsection (2) or at the option of the group certificate holder, offer the certificate holder continuation of coverage under the group certificate.

(4) If a group medicare supplement policy, contract, or certificate is replaced by another group medicare supplement policy, contract, or certificate purchased by the same certificate holder, the succeeding issuer shall offer coverage to all persons covered under the old group policy, contract, or certificate on its date of termination. Coverage under the new certificate shall not result in any exclusion for preexisting conditions that would have been covered under the group policy, contract, or certificate being replaced.

History: Add. 1994, Act 40, Imd. Eff. Mar. 14, 1994.

Popular name: Blue Cross-Blue Shield

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