

**TITLE 365. INSURANCE DEPARTMENT  
CHAPTER 40. HEALTH MAINTENANCE ORGANIZATIONS (HMO)**

**SUBCHAPTER 5. LIFE, ACCIDENT & HEALTH DIVISION AND CONSUMER  
ASSISTANCE AND CLAIMS DIVISION RULES**

**PART 9. HMO REQUIREMENTS AND PROHIBITIONS**

**365:40-5-42. Individual conversion contracts**

~~(a) — Each HMO shall offer an individual conversion contract to a subscriber (and his or her enrolled dependents) if coverage under a group contract would otherwise terminate for any of the following:~~

~~(1) — A subscriber who terminates his or her employment.~~

~~(2) — Each enrollee who would otherwise cease to be eligible for HMO enrollment because of his or her age or the death or divorce from a subscriber.~~

~~(3) — Any circumstances beyond the subscriber's control which leave the subscriber without alternative coverage.~~

~~(b) — An HMO shall not be required to issue an individual conversion contract if any of the following occur:~~

~~(1) — The enrollee becomes eligible for or covered by other comparable coverage.~~

~~(2) — The group contract is terminated or is not renewed, except as specified in Part 13 of this Subchapter.~~

~~(3) — The enrollee's coverage is terminated for cause.~~

~~(4) — The enrollee does not enroll for individual conversion coverage within 31 days.~~

~~(5) — Except for emergency services, an enrollee moves out of the HMO's service area.~~

~~(c) — Nothing in Part 13 of this Subchapter requires an HMO offering benefit plans only to group health plans or through an association to offer coverage in the individual market.~~

An HMO shall not be required to offer or issue any new individual conversion contract to a subscriber or his or her enrolled dependents.