

ROBERT L. EHRLICH, JR.
GOVERNOR

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MICHAEL S. STEELE
LIEUTENANT GOVERNOR

DONNA B. IMHOFF
DEPUTY COMMISSIONER

STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION
525 ST. PAUL PLACE, BALTIMORE, MARYLAND 21202-2272
WRITER'S DIRECT DIAL: 410-468-2205
Facsimile Number: 410-468-2204
e-mail: hmax@mdinsurance.state.md.us

BULLETIN

To: Carriers Selling Medicare Supplements in Maryland

Re: New Guarantee Issue Rights for Certain Medicare Eligible Individuals

Date: April 25, 2003

Bulletin: Life and Health # 03-04

Chapter 2 of the Acts of the General Assembly of 2003 (House Bill 1100) was signed into law as an emergency measure by Governor Ehrlich on April 8, 2003.

Effective April 8, 2003, insurers and nonprofit health service plans that sell Medicare supplement ("Medigap") policies in Maryland are required to guarantee issue all the policies that it sells to any individual who meets the following criteria:

1. The individual is enrolled under an employee welfare benefit plan that provides health benefits;
2. The employee welfare benefit plan in which the individual is enrolled terminates;
3. Solely because of eligibility for Medicare, the individual is not eligible for the tax credit for health insurance costs under §35 of the Internal Revenue Code and enrollment in the Maryland Health Insurance Plan under § 14-501(f) of the Insurance Article, as enacted by Section 1 of Chapter 2 of the Acts of 2003; and
4. The individual applies for the Medigap policy no later than 63 days after the employee welfare benefit plan terminates.

Please note that this new right to guarantee issuance of a Medigap contract is not limited to individuals who are over age 65, but is also available to individuals who are eligible for Medicare due to disability.

With regard to group Medicare supplement policies, if an insurer or nonprofit health service plan sells these contracts, it is required to accept only those individuals who qualify for membership for the group coverage.

Any questions about this bulletin should be directed to the Life/Health Section of the Maryland Insurance Administration at 410-468-2170.

Howard Max
Acting Associate Commissioner
Life and Health