

**31A-30-107.1 Individual discontinuance and nonrenewal.**

- (1)
  - (a) Except as otherwise provided in this section, a health benefit plan offered on an individual basis is renewable and continues in force:
    - (i) with respect to all individuals or dependents; and
    - (ii) at the option of the individual.
  - (b) Subsection (1)(a) applies regardless of:
    - (i) whether the contract is issued through:
      - (A) a trust;
      - (B) an association;
      - (C) a discretionary group; or
      - (D) other similar grouping; or
    - (ii) the situs of delivery of the policy or contract.
- (2) A health benefit plan may be discontinued or nonrenewed:
  - (a) for a network plan, if:
    - (i) the individual no longer lives, resides, or works in:
      - (A) the service area of the covered carrier; or
      - (B) the area for which the covered carrier is authorized to do business; and
    - (ii) coverage is terminated uniformly without regard to any health status-related factor relating to any covered individual; or
  - (b) for coverage made available through an association, if:
    - (i) the individual's membership in the association ceases; and
    - (ii) the coverage is terminated uniformly without regard to any health status-related factor of covered individuals.
- (3) A health benefit plan may be discontinued if:
  - (a) a condition described in Subsection (2) exists;
  - (b) the individual fails to pay premiums or contributions in accordance with the terms of the health benefit plan, including any timeliness requirements;
  - (c) the individual:
    - (i) performs an act or practice that constitutes fraud in connection with the coverage; or
    - (ii) makes an intentional misrepresentation of material fact under the terms of the coverage;
  - (d) the covered carrier:
    - (i) elects to discontinue offering a particular health benefit product delivered or issued for delivery in this state; and
    - (ii)
      - (A) provides notice of the discontinuance in writing:
        - (I) to each individual provided coverage; and
        - (II) at least 90 days before the date the coverage will be discontinued;
      - (B) provides notice of the discontinuation in writing:
        - (I) to the commissioner; and
        - (II) at least three working days prior to the date the notice is sent to the affected individuals;
      - (C) offers to each covered individual on a guaranteed issue basis the option to purchase all other individual health benefit products currently being offered by the covered carrier for individuals in that market; and
      - (D) acts uniformly without regard to any health status-related factor of a covered individual or dependent of a covered individual who may become eligible for coverage; or
    - (e) the covered carrier:

- (i) elects to discontinue all of the covered carrier's health benefit plans in the individual market;  
and
- (ii)
  - (A) provides notice of the discontinuation in writing:
    - (I) to each covered individual; and
    - (II) at least 180 days before the date the coverage will be discontinued;
  - (B) provides notice of the discontinuation in writing:
    - (I) to the commissioner in each state in which an affected insured individual is known to reside; and
    - (II) at least 30 working days prior to the date the notice is sent to the affected individuals;
  - (C) discontinues and nonrenews all health benefit plans the covered carrier issues or delivers for issuance in the individual market; and
  - (D) acts uniformly without regard to any health status-related factor of a covered individual or a dependent of a covered individual who may become eligible for coverage.

Amended by Chapter 252, 2003 General Session