

same conditions and limitations as are provided by section 434, except that the group policy may provide that the amount of such individual policy shall not exceed the smaller of:

(1) The amount of the person's life insurance protection ceasing because of the termination or amendment of the group policy, less the amount of any life insurance for which he is or becomes eligible under any group policy issued or reinstated by the same or another insurer within thirty-one (31) days after such termination, and

(2) Two thousand dollars (\$2,000).

#### **436. Death Pending Conversion.**

The group life insurance policy shall contain a provision that if a person insured under the policy dies during the period within which he would have been entitled to have an individual policy issued to him in accordance with section 434 or 435 and before such an individual policy shall have become effective, the amount of life insurance which he would have been entitled to have issued to him under such individual policy shall be payable as a claim under the group policy, whether or not application for the individual policy or the payment of the first premium therefor has been made.

#### **436A. Statement to Debtors.**

In the case of a policy issued to a creditor to insure debtors of such creditor, the insurer shall furnish to the policyholder for delivery to each debtor insured under the policy, a form which shall contain a statement that the life of the debtor is insured under the policy and that any death benefit paid thereunder by reason of his death, shall be applied to reduce or extinguish the indebtedness.

### **25. HEALTH INSURANCE**

#### **437. Scope of Subtitle.**

Nothing in this subtitle shall apply to or affect:

(1) Any policy of liability or workmen's compensation and employers liability insurance.

(2) Any group or blanket policy.

(3) Life insurance, endowment or annuity contracts, or contracts supplemental thereto which contain only such provisions relating to health insurance as:

(i) Provide additional benefits in case of dismemberment or loss of sight, or of death by accident or accidental means, or as

(ii) Operate to safeguard such contracts against lapse, or to give a special surrender value or special benefit or an annuity in the event that the insured or annuitant becomes totally and permanently disabled, as defined by the contract or supplemental contract.

(4) Reinsurance.

#### **438. Scope, Format of Policy.**

No policy of health insurance shall be delivered or issued for delivery to any person in this State unless it otherwise complies with this article, and complies with the following: