

## **§ 1357.610. When plan not required to offer contract**

(a) No plan shall be required by the provisions of this article:

(1) To offer coverage under a small employer's health care service plan contract to an otherwise eligible employee or dependent, when the eligible employee or dependent does not work or reside within the plan's approved service area, except as provided in Chapter 7 (commencing with Section 3750) of Part 1 of Division 9 of the Family Code.

(2) To offer coverage under a small employer's health care service plan contract to an eligible employee, as defined in paragraph (2) of subdivision (b) of Section 1357.600, who within 12 months of application for coverage terminated from a small employer health care service plan contract offered by the plan.

(b) Nothing in this article shall be construed to limit the director's authority to develop and implement a plan of rehabilitation for a health care service plan whose financial viability or organizational and administrative capacity has become impaired.

### **HISTORY:**

Added Stats 2012 ch 852 § 6 (AB 1083), effective January 1, 2013.