§ 165. Termination of active employment. 1. The health benefit coverage of any employee and his or her dependents, if any, shall cease upon the discontinuance of his or her term of office or employment, subject to regulations which may be prescribed by the president for extension of coverage and for conversion to an individual contract providing for such of the benefits provided under this article as may be provided under such individual contracts, under terms approved by the president, the total cost of any such contract to be borne by the employee.

2. In the event of death of an employee having coverage at the time of death for himself or herself and his or her dependents, and where the circumstances of death are such that beneficiaries or dependents of such deceased employee are entitled to an accidental death benefit payable by a retirement system or pension plan administered by the state or a civil division thereof on account of death resulting from an accident sustained in the performance of his or her duties or to death benefits provided for under the workers' compensation law, the unremarried spouse of such employee covered at the time of his or her death and his or her covered dependents, for so long as they would otherwise qualify as dependents eligible for coverage under the regulations of the president, shall be eligible to continue full coverage under the health benefit plan upon payment at intervals determined by the president of the full cost of such coverage; provided, however, that the state shall pay and any participating employer may elect to pay the full cost of such coverage, except that in the case of those enrolled in an optional benefit plan, the employer shall contribute not more than the same dollar amount which would be paid if such unremarried spouse and dependents were enrolled in the basic statewide health benefit plan. The president shall adopt such regulations as may be required to carry out the provisions of this subdivision which shall include, but need not be limited to, provisions for filing application for continued coverage, including reasonable time limits therefor, and provisions for continued coverage of spouse and dependents pending determination of an application for accidental death benefits from a retirement system or pension plan administered by the state or a civil division thereof or pending determination of a claim for death benefits under the workers'

compensation law.