

CHAPTER 32-A

TYPES OF HEALTH INSURANCE

§2691. Scope

1. Health insurance policies. This chapter applies to individual health insurance policies subject to chapter 33 and to group health insurance policies and certificates subject to chapter 35.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

2. Dental plans and vision care plans. This chapter applies to dental plans and vision care plans only as specified.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

3. Policies not subject to this chapter. This chapter does not apply to:

A. Individual policies or contracts issued pursuant to a conversion privilege under a policy or contract of group or individual insurance when that group or individual policy or contract includes provisions that are inconsistent with the requirements of this chapter; [PL 2001, c. 410, Pt. C, §1 (NEW).]

B. Policies issued to employees or members as additions to franchise plans in existence on the effective date of this chapter; [PL 2001, c. 410, Pt. C, §1 (NEW).]

C. Medicare supplement policies subject to chapter 67; [PL 2001, c. 410, Pt. C, §1 (NEW).]

D. Long-term care insurance policies subject to chapters 68 and 68-A; [PL 2003, c. 428, Pt. G, §2 (AMD).]

E. Group disability income protection coverage; or [PL 2001, c. 410, Pt. C, §1 (NEW).]

F. Insurance policies supplemental to the Civilian Health and Medical Program of the Uniformed Services, CHAMPUS, 10 United States Code, Chapter 55 (2000). [PL 2001, c. 410, Pt. C, §1 (NEW).]

[PL 2003, c. 428, Pt. G, §2 (AMD).]

SECTION HISTORY

PL 2001, c. 410, §C1 (NEW). PL 2003, c. 428, §G2 (AMD).

§2692. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 2001, c. 410, Pt. C, §1 (NEW).]

1. Certificate. "Certificate" means a statement of the coverage and provisions of a policy of group health insurance that has been delivered or issued for delivery in this State. "Certificate" includes riders, endorsements and enrollment forms, if attached.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

2. Dental plan. "Dental plan" means insurance written to provide coverage for dental treatment.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

3. Direct response advertising. "Direct response advertising" means a solicitation through a sponsoring or endorsing entity or individually through mail, telephone, the Internet or other mass communication media.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

4. Form. "Form" means a policy, contract, rider, endorsement or application as provided in section 2412.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

5. Policy. "Policy" means an entire contract between the insurer and the insured, including riders, endorsements and the application, if attached.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

6. Vision care plan. "Vision care plan" means insurance written to provide coverage for eye care.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

SECTION HISTORY

PL 2001, c. 410, §C1 (NEW).

§2693. Standards for policy provisions

1. Rules regarding manner, content and required disclosure. The superintendent may adopt rules to establish specific standards, including standards of full and fair disclosure, that set forth the manner, content and required disclosure for the sale of individual and group health insurance. The superintendent may adopt additional rules to establish specific standards for the sale of dental plans and vision care plans.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

2. Rules regarding prohibited policies or provisions. The superintendent may adopt rules that specify prohibited policies or policy provisions not otherwise specifically authorized by statute that, in the opinion of the superintendent, are unjust, unfair or unfairly discriminatory to the policyholder or a person insured under the policy or to a beneficiary of the policy.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

SECTION HISTORY

PL 2001, c. 410, §C1 (NEW).

§2694. Minimum standards for benefits

The superintendent shall adopt rules to establish minimum standards for benefits under individual and group health insurance. These rules must clarify the meaning of limited benefits health insurance as referred to in chapters 33, 35 and 56-A. The rules must also set minimum standards for benefits for each of the following categories of coverage: [PL 2001, c. 410, Pt. C, §1 (NEW).]

1. Basic hospital expense coverage. Basic hospital expense coverage;

[PL 2001, c. 410, Pt. C, §1 (NEW).]

2. Basic medical-surgical expense coverage. Basic medical-surgical expense coverage;

[PL 2001, c. 410, Pt. C, §1 (NEW).]

3. Basic hospital and medical-surgical expense coverage. Basic hospital and medical-surgical expense coverage;

[PL 2001, c. 410, Pt. C, §1 (NEW).]

4. Hospital confinement indemnity coverage. Hospital confinement indemnity coverage;

[PL 2001, c. 410, Pt. C, §1 (NEW).]

5. Individual major medical expense coverage. Individual major medical expense coverage;

[PL 2001, c. 410, Pt. C, §1 (NEW).]

6. Individual basic medical expense coverage. Individual basic medical expense coverage;

[PL 2001, c. 410, Pt. C, §1 (NEW).]

7. Individual disability income protection coverage. Individual disability income protection coverage;

[PL 2001, c. 410, Pt. C, §1 (NEW).]

8. Accident only coverage. Accident only coverage;

[PL 2001, c. 410, Pt. C, §1 (NEW).]

9. Specified disease coverage. Specified disease coverage; and

[PL 2001, c. 410, Pt. C, §1 (NEW).]

10. Specified accident coverage. Specified accident coverage.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

This section does not preclude the issuance of a policy or contract that combines 2 or more of the categories of coverage in subsections 1 to 10. [PL 2001, c. 410, Pt. C, §1 (NEW).]

SECTION HISTORY

PL 2001, c. 410, §C1 (NEW).

§2694-A. Physician performance measurement, reporting and tiering programs

1. Performance measurement, reporting and tiering programs. An insurer delivering or issuing for delivery within the State any individual health insurance policy or group health insurance policy or certificate shall annually file with the superintendent on or before October 1, 2010 and annually by October 1st in subsequent years a full and true statement of its criteria, standards, practices, procedures and programs that measure or tier health care provider performance with respect to quality, cost or cost-efficiency. The statement must be on a form prepared by the superintendent and may be supplemented by additional information required by the superintendent. The statement must be verified by the oath of the insurer's president or vice-president, and secretary or chief medical officer. A filing and supporting information are public records notwithstanding Title 1, section 402, subsection 3, paragraph B.

[PL 2013, c. 383, §2 (AMD).]

2. Duties. The superintendent shall review the statements, if any, assemble the statements in one table using a side-by-side comparison format and provide an analysis identifying the commonalities and differences of the statements. Notwithstanding any provision of law to the contrary, the superintendent shall adopt by rule a program and performance measures designed to:

A. Ensure transparency and fairness and promote the continued strengthening of measurement programs to meet patients' needs; [PL 2009, c. 350, Pt. B, §1 (NEW).]

B. Promote the consistency, efficiency and fairness of physician performance measurement; and [PL 2009, c. 350, Pt. B, §1 (NEW).]

C. Promote an appropriate balance between innovation and standardization. [PL 2009, c. 350, Pt. B, §1 (NEW).]

[PL 2009, c. 350, Pt. B, §1 (NEW).]

3. Advisory panel.

[PL 2011, c. 90, Pt. J, §20 (RP).]

4. Rulemaking. The superintendent may adopt rules to implement this section. Rules adopted pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2009, c. 350, Pt. B, §1 (NEW).]

SECTION HISTORY

PL 2009, c. 350, Pt. B, §1 (NEW). PL 2011, c. 90, Pt. J, §20 (AMD). PL 2013, c. 383, §2 (AMD).

§2695. Disclosure requirements

1. Outline of coverage. Except as provided in subsections 7 and 8, an insurer shall deliver an outline of coverage to an applicant or enrollee in connection with the sale of individual health insurance, group health insurance, dental plans and vision care plans delivered or issued for delivery in this State. [PL 2001, c. 410, Pt. C, §1 (NEW).]

2. Sale through producer. If the sale of a policy described in subsection 1 occurs through a producer, the outline of coverage must be delivered to the applicant at the time of application or to the certificate holder at the time of enrollment. [PL 2001, c. 410, Pt. C, §1 (NEW).]

3. Sale through direct-response advertising. If the sale of a policy described in subsection 1 occurs through direct-response advertising, the outline of coverage must be delivered no later than in conjunction with the issuance of the policy or delivery of the certificate. [PL 2001, c. 410, Pt. C, §1 (NEW).]

4. Outline of coverage not delivered at time of application or enrollment. If the outline of coverage required in subsections 1 and 8 and in any rules adopted by the superintendent pursuant to this chapter is not delivered at the time of application or enrollment, the advertising materials delivered to the applicant or enrollee must contain all the information required in subsection 8 and in any rules adopted by the superintendent pursuant to this chapter. [PL 2001, c. 410, Pt. C, §1 (NEW).]

5. Outline of coverage delivered at time of application or enrollment. If the outline of coverage is delivered to the applicant or enrollee at the time of application or enrollment, the insurer must collect an acknowledgment of receipt or certificate of delivery of the outline of coverage and the insurer must maintain evidence of the delivery. [PL 2001, c. 410, Pt. C, §1 (NEW).]

6. Coverage issued on basis other than as applied for. If coverage is issued on a basis other than as applied for, an outline of coverage properly describing the coverage or contract actually issued must be delivered with the policy or certificate to the applicant or enrollee. [PL 2001, c. 410, Pt. C, §1 (NEW).]

7. Outline of coverage not required. An outline of coverage for group health insurance, a group dental plan or a group vision care plan is not required to be delivered to certificate holders if the certificate contains a brief description of:

A. Benefits; [PL 2001, c. 410, Pt. C, §1 (NEW).]

B. Provisions that exclude, eliminate, restrict, limit, delay or in any other manner operate to qualify payment of the benefits; [PL 2001, c. 410, Pt. C, §1 (NEW).]

C. Renewability provisions; and [PL 2001, c. 410, Pt. C, §1 (NEW).]

D. Notice requirements as provided in rules adopted pursuant to this chapter. [PL 2001, c. 410, Pt. C, §1 (NEW).]

[PL 2001, c. 410, Pt. C, §1 (NEW).]

8. Superintendent shall prescribe format and content of outline of coverage. The superintendent shall prescribe the format and content of the outline of coverage required by subsection 1. As used in this subsection, "format" means style, arrangement and overall appearance, including items such as the size, color and prominence of type and the arrangement of text and captions. The rules may exempt certain group policies from the requirement to deliver an outline of coverage to an applicant or enrollee. The outline of coverage must include:

A. A statement identifying the applicable category or categories of coverage as prescribed in section 2694; [PL 2001, c. 410, Pt. C, §1 (NEW).]

B. A description of the principal benefits and coverage provided; [PL 2001, c. 410, Pt. C, §1 (NEW).]

C. A statement of exceptions, reductions and limitations; [PL 2001, c. 410, Pt. C, §1 (NEW).]

D. A statement of renewal provisions, including any reservation by the insurer of a right to change premiums; and [PL 2001, c. 410, Pt. C, §1 (NEW).]

E. A statement that the outline is a summary of the policy or certificate issued or applied for and that the policy or certificate should be consulted to determine governing policy provisions. [PL 2001, c. 410, Pt. C, §1 (NEW).]

[PL 2001, c. 410, Pt. C, §1 (NEW).]

9. Notice must be delivered to all applicants eligible for Medicare. An insurer shall deliver the notice required under rules applicable to Medicare supplement insurance to all applicants eligible for Medicare.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

SECTION HISTORY

PL 2001, c. 410, §C1 (NEW).

§2696. Preexisting conditions

1. Exclusion based on preexisting condition limited after 12 months. Notwithstanding the provisions of section 2706, subsection 2, division (b), if an insurer elects to use a simplified application or enrollment form, with or without a question as to the prospective insured's health at the time of application or enrollment but without any questions concerning the prospective insured's health history or medical treatment history, the policy must cover any loss occurring after the policy has been in force for 12 months from any preexisting condition not specifically excluded from coverage by terms of the policy, and, except for such specific exclusions, the policy or certificate may not include wording that would permit a defense based upon preexisting conditions, other than rescission for affirmative misrepresentations, after it has been in force for 12 months.

[PL 2001, c. 410, Pt. C, §1 (NEW).]

2. Exclusion based on preexisting condition limited after 6 months. Notwithstanding the provisions of subsection 1 and section 2706, subsection 2, division (b), an insurer that issues a specified disease policy or certificate may not deny a claim for any covered loss that begins after the policy or certificate has been in force for at least 6 months, unless that loss results from a preexisting condition that was diagnosed by a physician before the date of application for coverage or that first manifested itself within the 6 months immediately preceding the application date. Other defenses based upon preexisting conditions are not permitted except for rescission for misrepresentation. This subsection applies regardless of whether the policy or certificate is issued on the basis of a detailed application form, a simplified application form or an enrollment form.

[PL 2007, c. 199, Pt. G, §1 (AMD).]

SECTION HISTORY

PL 2001, c. 410, §C1 (NEW). PL 2007, c. 199, Pt. G, §1 (AMD).

§2697. Rulemaking

The superintendent may adopt rules to carry out the purposes of this chapter. Rules adopted pursuant to this chapter are major substantive rules as defined by Title 5, chapter 375, subchapter II-A. [PL 2001, c. 410, Pt. C, §1 (NEW).]

SECTION HISTORY

PL 2001, c. 410, §C1 (NEW).

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