EARL R. POMEROY
COMMISSIONER OF INSURANCE
STATE OF NORTH DAKOTA
701-224-2440
STATE CAPITOL BUILDING
BISMARCK, NORTH DAKOTA 58505

BULLETIN 88-8

TO: ALL INSURANCE COMPANIES WRITING MEDICARE SUPPLEMENT POLICIES IN NORTH DAKOTA

FROM: Earl R. Pomeroy, Commissioner of Insurance

DATE: October 19, 1988

SUBJECT: Adoption of the NAIC Model Rules & Regulations for Medicare Supplement Policies

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North Dakota will adopt the NAIC Medicare Supplement model regulation effective January 1, 1989. The Medicare Supplement model act will be adopted with an effective date of July 1, 1989.

The following variations will apply to the model regulation:

1) A 60% loss ratio is required for individual Medicare Supplement policies in North Dakota. The Insurance Department will vigorously enforce compliance with this loss ratio requirement and will initiate administrative action and/or premium reductions for companies not meeting this loss ratio.

2) In accordance with Section 26.1-04-03(9)(l) of the North Dakota Century Code, a provision will be added requiring a company offering convalescent nursing home, extended care facility, or skilled nursing facility coverage in excess of the 150 day Medicare benefit, to cover intermediate care.

3) In accordance with Section 26.1-36-32(4) of the North Dakota Century Code, all Medicare supplement policies must comply with the following replacement requirement:

   "The policy or certificate of insurance providing Medicare supplement benefits which is sold to a consumer in addition to another Medicare supplement policy or which is sold to a consumer to replace such a policy may not contain a provision limiting payment of benefits due to preexisting conditions of the insured except if there is any time period remaining relating to the exclusion of coverage for preexisting conditions as specified in the underlying policy

that remaining waiting period for coverage of preexisting conditions shall apply to the new policy unless the policy otherwise provides."

Advertising materials must comply with Chapter 45-06-04 of the North Dakota Administrative Rule. Advertisements in noncompliance will be reviewed on a case-by-case basis. Due to staffing and storage limitations, North Dakota will not assert a prior approval requirement at this time, and waives the filing of advertising materials.

I am also asking that you respond to the enclosed survey by **December 1, 1988.** This survey is required to assist North Dakota in complying with Section 4081 of the Federal Omnibus Budget Reconciliation Act of 1987 (OBRA). Please complete and return this survey regardless of whether you are currently writing Medicare supplement business or not. Thank you for your assistance.

jmb
Enclosure

NORTH DAKOTA
MEDICARE SUPPLEMENT POLICY SURVEY

Please remit by December 1, 1988

Company Name: _____

Company Address: _____

_____

_____

Do you write Medicare supplement business? ____Yes _____No

(If yes, please complete the remainder of this form)

Company Contact Person: _____

Please list all of your Medicare supplement policies or certificates (by form number) that have been approved by the North Dakota Insurance Department. Include policy forms that are currently in force or being marketed.