Bulletin No. 21

CHAPTER 26–39 OF NORTH DAKOTA CENTURY CODE, ON MENTAL ILLNESS AND ADDICTION

(H.B. 1596, Passed by North Dakota Legislature in 1975)

September 2, 1975

Further to Bulletin No. 20, dated May 23, 1975, the purpose of this Bulletin is to outline this Department's informal administrative interpretations of certain additional aspects pertaining to Chapter 26–39 of N.D.C.C.

Such further informal administrative interpretations are as follows:

1. The interpretation of this Department is that Section 26–39–02 (Section 2 of the Act) applies to North Dakota residents who are covered under or are to be covered under a group or blanket policy or under a franchise or association plan, delivered, issued, executed, renewed or negotiated (in the case of a franchise or association plan) outside of North Dakota, provided the "number of persons" and "percentage participation" requirements of said Section are met. Said "number of persons" and "percentage participation" tests are to be applied with respect to North Dakota residents only.

2. Each new policy or plan, as described in item 1 above, delivered, issued, executed or negotiated (in the case of a franchise or association plan) outside of North Dakota, must conform at inception to the requirements of Chapter 26–39 (H.B. 1596) and applicable Departmental Bulletins.

3. This Department expects each existing policy or plan, as described in item 1 above, to conform to the requirements of Chapter 26–39 (H.B. 1596) and applicable Departmental Bulletins on the policy anniversary date next following June 30, 1975. In the case of a franchise or association plan, each individual policy covering one or more North Dakota residents must so conform on the policy anniversary date next following June 30, 1975.

4. This Department will allow a reasonable period of time to permit a company to develop and print revised policies, riders, endorsements, certificates, etc., to implement these coverages, in instances where they are required. However, where such coverages are required, any claim must be handled as though such coverages had been in effect as of July 1, 1975 or as of a later policy or certificate effective date.

In the case of a claim under such required coverages, any applicable pre-existing condition exclusion provision will apply with respect to July 1, 1975 or a later policy or certificate effective date.

This Bulletin shall be effective immediately.

Enquiries, in regard to the above matters, should be directed to Mr. William R. Burns, Actuary of the Department. Phone (701) 224-2445.

J. O. WIGEN
Commissioner of Insurance