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BULLETIN 91-6

TO: ALL INSURERS WRITING ACCIDENT AND HEALTH INSURANCE

FROM: Earl R. Pomeroy, Commissioner

DATE: December 19, 1991

SUBJECT: 1. N.D. Admin. Code Chapter 45-06-01.1 - Medicare Supplement Insurance Minimum Standards

2. Open Enrollment

North Dakota has adopted the NAIC model rules regulating Medicare supplement insurance. The effective date of the new regulation is January 1, 1992. The North Dakota regulation deviates only as follows from the NAIC model:

1. a. <u>All direct response solicited policies and certificates (whether group or individual) are subject to a minimum 75 percent loss ratio.</u> Direct response solicited coverage is determined by the method in which the coverage is marketed by the company.

   b. <u>Commissions shall be level for the first year and five renewal years.</u>

2. This Department has learned that some insurers intend to restrict open enrollment by various methods including reduced commissions or nonpayment of commissions to agents for plans issued during the six-month open enrollment period. The North Dakota Insurance Department considers this practice to be an unfair trade practice. The Insurance Department is hereby directing insurers to cease this practice in the State of North Dakota.

   Also, in accordance with the regulation language, "Each medicare supplement policy and certificate currently available from an insurer shall be made available to all applicants who qualify under this subsection without regard to age."

ERP/njb