

11 NCAC 12 .0522 ACCIDENT AND HEALTH ADVERTISING: PRE-EXISTING CONDITIONS

An advertisement which is subject to the requirements of 11 NCAC 12 .0521 shall, in negative terms, disclose the extent to which any loss is not covered if the cause of such loss is traceable to a condition existing prior to the effective date of the policy. The use of the term "pre-existing condition" without an appropriate definition or description shall not be used.

When a policy does not cover losses resulting from pre-existing conditions, no advertisement of the policy shall state or imply that the applicant's physical condition or medical history will not affect the issuance of the policy or payment of a claim thereunder. This Rule prohibits the use of the phrase "no medical examination required" and phrases of similar import, but does not prohibit explaining "automatic issue." If an insurer requires a medical examination for a specified policy, the advertisement, if it is an invitation to contract, shall disclose that a medical examination is required.

When an advertisement contains an application form to be completed by the applicant and returned by mail for a direct response insurance product, such application form shall contain a question or statement which reflects the pre-existing condition provision of the policy immediately preceding the blank space for the applicant's signature. For example, such an application form shall contain a question or statement substantially as follows:

Do you understand that this policy will not pay benefits during the first ____year(s) after the issue date for a disease or physical condition which you now have or have had in the past? ____YES.

Or substantially the following statement:

I understand that the policy applied for will not pay benefits for any loss incurred during the first ____year(s) after the issue date on account of disease or physical condition which I now have or have had in the past.

*History Note: Authority G.S. 58-2-40(1); 58-63-15;
Eff. February 1, 1976;
Readopted Eff. September 26, 1978;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018.*