

11 NCAC 12 .1903 JUSTIFICATION OF ADVERSE INSURANCE DECISIONS

An insurer or insurance professional that takes an action that adversely affects an applicant or insured on the basis of a medical condition that the health insurer or insurance professional knows or has reason to know is abuse-related shall explain the reason for its action to the applicant or insured in writing and shall be able to demonstrate that its action, and any applicable plan provision:

- (1) Does not have the purpose or effect of treating abuse status as a medical condition or underwriting criterion;
- (2) Is not based upon any actual or perceived correlation between a medical condition and abuse;
- (3) Is otherwise permissible by law and applies in the same manner and to the same extent to all applicants and insureds with a similar medical condition without regard to whether the condition or claim is abuse-related; and
- (4) Except for claim actions, is based on a determination, made in conformance with sound actuarial principles and supported by actual or reasonably anticipated experience, that there is a correlation between the medical condition and a material increase in insurance risk.

*History Note: Authority G.S. 58-2-40; 58-63-65;
Eff. April 1, 2010;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018.*