

## Advisory Notice

TO: Compliance Officer for Insurers Marketing Individual Health Benefit Plans in North Carolina

FROM: Life & Health Division

DATE: September 28, 2009

RE: Notice Relating to the North Carolina Health Insurance Risk Pool as Required by G.S. 58-3-276 (Section 2 of House Bill 1294 - SL 2009-286) Effective October 1, 2009

The North Carolina General Assembly enacted G.S. 58-3-276, effective October 1, 2009. This statute requires that written notice shall be provided by the insurer to an applicant for an individual health benefit plan when the insurer issues a notice of denial of coverage (declination of coverage) or an offer of coverage with a conditional rider that limits the coverage to be issued. The notice is intended to inform the applicant of the fact that those decisions by the insurer may qualify the individual for coverage through the North Carolina Health Insurance Risk Pool (the "Pool") and to provide information relating to the Pool.

The statute also gives the Commissioner the authority to adopt administrative rules to implement the statute, including rules establishing the language, content, format, and methods of distribution of the required notice. The Department has proposed Title 11 NCAC 12.0331 - Health Insurance Risk Pool Notice Language Requirements (copy attached) for permanent adoption. The proposed rule, if adopted, will establish format, language, and delivery requirements for the notice. During the time from October 1, 2009, and the date the proposed rule will be effective, insurers are encouraged to use the proposed rule to guide the development of their own notices and the procedures for delivery. The proposed rule will have a public comment period and a public hearing where insurers may submit comments about the proposed rule before approval. Information about the time periods for public comment may be obtained from the North Carolina Register.

Insurers may access the North Carolina Register at: <http://www.ncoah.com/rules/>.

Questions or concerns about this Advisory Memorandum may be directed to Jean Holliday at [jean.holliday@ncdoi.gov](mailto:jean.holliday@ncdoi.gov) or (919) 733-5060, extension 346.

*Attachment - Proposed T11 NCAC 12.0331 dated 09/28/09*

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**11 NCAC 12.0331 Is Adopted as follows:**

**11 NCAC 12. 0331 HEALTH INSURANCE RISK POOL NOTICE LANGUAGE REQUIREMENTS**

(a) The definitions contained in G.S. 58-3-276 are incorporated by reference.

(b) Notices required under G.S. 58-3-276 shall be provided by the insurer by first-class mail to the applicant's current address or, if not known, to the applicant's last known address, whether the application was taken by paper or electronically. The notice shall be in Times New Roman 10-point font or other equivalent font and contain the following wording:

“In response to your application for individual health insurance coverage, you have received from [INSERT INSURER’S NAME] (i) a notice of a denial of coverage or (ii) an offer of coverage with a conditional rider that limits the coverage. We are therefore required to inform you that you may be eligible for health insurance coverage through the North Carolina Health Insurance Risk Pool, known as “Inclusive Health.”

Inclusive Health is a state subsidized health insurance coverage option for individuals with pre-existing medical conditions who either are unable to qualify for or cannot find more affordable individual health insurance coverage. Inclusive Health’s premiums are not based on specific medical conditions and are capped by law. You cannot be rejected by Inclusive Health because of health conditions.

You may contact the North Carolina Health Insurance Risk Pool for information on specific eligibility criteria and the type of benefit plans available at:

**North Carolina Health Insurance Risk Pool, dba Inclusive Health**  
**P.O. Box 30909**  
**Raleigh, NC 27622**  
**(866) 665-2117**  
**www.inclusivehealth.org**

The Consumer Services Division of the North Carolina Department of Insurance is available to assist you with your questions about health insurance. You may contact the Consumer Services Division at:

**North Carolina Department of Insurance – Consumer Services Division**  
**1201 Mail Service Center**  
**Raleigh, NC 27699-1201**

1 **800-546-5664 - in North Carolina only**

2 **919-807-6750 - outside North Carolina”**

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4 (c) The notice required under this Rule may be delivered to an applicant along with the notice required by North  
5 Carolina General Statute § 58-39-55 relating to the adverse underwriting decision described in North Carolina  
6 General Statute §§58-50-195(a)(1) and G.S. 58-50-195(a)(2) when the adverse underwriting decision notice is  
7 provided in writing.

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9 *History Note: Authority G.S. 58-2-40; 58-3-276;*

10 *Eff. February 1, 2010.*

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