CHAPTER 45-06-16
SHORT-TERM LIMITED-DURATION INSURANCE

45-06-16-01. Definitions.

1. "Application" includes an application for individual coverage or a group enrollment form.

2. "Short-term limited-duration health insurance plan" means health insurance coverage provided pursuant to an insurance policy or group certificate of insurance that has an expiration date specified in the policy that is no longer than six months after the original effective date of the policy and, taking into account any renewals or extensions, has a duration of not more than twelve months in total.

History: Effective October 1, 2019.
General Authority: NDCC 26.1-36-38
Law Implemented: NDCC 26.1-36.8

45-06-16-02. Application requirements.

All applications for short-term limited-duration insurance policies must contain clear and unambiguous questions designed to ascertain the reason for the health condition of the applicant as follows:

1. Do you have comprehensive major medical coverage in force as of the date of this application?

2. Are you aware that this insurance coverage is not comprehensive major medical coverage?

3. Why are you purchasing a short-term limited-duration plan? (Please check all that apply)

   a. I am not eligible for Affordable Care Act marketplace tax subsidies.

   b. I cannot afford an Affordable Care Act marketplace plan.

   c. I do not use a lot of health care; therefore, I do not feel I need a comprehensive major medical plan.

   d. Other.

4. Do you understand this policy may not have network doctors and therefore may result in a bill for additional charges not covered by a doctor that is out-of-network with this plan?

History: Effective October 1, 2019.
General Authority: NDCC 26.1-36-38
Law Implemented: NDCC 26.1-36.8

45-06-16-03. Disclosure requirements.

1. Disclosure statement. All short-term limited-duration policies as defined under North Dakota Century Code section 26.1-36-49 must contain the following disclosure on the front cover page of the policy, the certificate of coverage, and the application in large print:

THIS IS NOT A COMPREHENSIVE MAJOR MEDICAL INSURANCE POLICY.

THIS COVERAGE IS NOT REQUIRED TO COMPLY WITH CERTAIN FEDERAL MARKET REQUIREMENTS FOR HEALTH INSURANCE, PRINCIPALLY THOSE CONTAINED IN THE PATIENT PROTECTION AND AFFORDABLE CARE ACT. PLEASE CAREFULLY REVIEW THE TERMS OF YOUR POLICY TO MAKE SURE YOU ARE AWARE OF ANY EXCLUSIONS OR LIMITATIONS REGARDING COVERAGE OF PRE-EXISTING CONDITIONS OR HEALTH BENEFITS (SUCH AS HOPITALIZATION, EMERGENCY SERVICES, MATERNITY CARE, PREVENTATIVE CARE, PRESCRIPTION DRUGS, HABILITATIVE AND REHABILITATIVE CARE, AND MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES). YOUR POLICY MIGHT ALSO HAVE LIFETIME AND/OR ANNUAL DOLLAR LIMITS ON HEALTH BENEFITS. IF THIS COVERAGE EXPIRES OR YOU LOSE ELIGIBILITY FOR THIS COVERAGE, YOU MAY HAVE TO WAIT UNTIL AN OPEN ENROLLMENT PERIOD TO OBTAIN OTHER HEAL TH INSURANCE COVERAGE.

2. Outline of coverage. The outline of coverage must provide the following information:

   a. Types of benefits provided.

   b. Cost-sharing provisions and maximum limits.

   c. Describe how benefit payments are determined.

   d. Exclusions and limitations.

   e. Renewability provisions.

History: Effective October 1, 2019.
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Law Implemented: NDCC 26.1-36.8

45-06-16-04. Standards of marketing.

An issuer through its producers, shall:

1. Provide an outline of coverage to applicants at the time application is presented to the prospective applicant and shall obtain an acknowledgment of receipt of the outline from the applicant.

2. Establish marketing procedures to assure any comparison of policies by its agents or other producers will be fair and accurate.

3. Establish marketing procedures to assure full disclosure is given to the insured.

4. Establish auditable procedures for verifying compliance with this section.

History: Effective October 1, 2019.
General Authority: NDCC 26.1-36-38
Law Implemented: NDCC 26.1-36.8