

11 NCAC 04 .0313 PROVISIONS OF CONTRACTS

The following phrases and provisions, found in life, accident, health, and disability contracts, if not defined in the contracts, shall be construed by the Department in the following manner:

- (1) Regular Care and Attendance of a Physician. As used in life, accident, health, and disability policies, "regular care and attendance of a physician" shall not be construed to require insureds to see or be under the care of a physician on a regular basis if it can be shown that the insured has reached his or her maximum point of recovery yet is still disabled under the terms of the insurance contract. This requirement shall not restrict the right of the insurer, at its own expense, to examine or cause to have examined the insured according to the terms of the contract of insurance.
- (2) Premature Baby. A premature baby shall not be considered a well baby. The protection afforded newborn infants under G.S. 58-51-30 shall be provided to premature babies.
- (3) Medical Necessity. "Medical necessity" shall be construed as including treatment that restores not only the insured's physical but also his or her mental well-being. As used in this Item, "restoration of mental well-being" does not require coverage of psychiatric disorders when those disorders are excluded under the express terms of the contract.
- (4) Sound Health. The question, "Are you in sound health?" shall be considered ambiguous, and therefore answers to that question on an insurance application shall not be used as the basis for rescission of a policy or denial of a claim.

*History Note: Authority G.S. 58-2-40; 58-3-150; 58-51-1; 58-63-15; 58-63-65; 58-65-1; 58-65-40; 58-67-65; 58-67-150;
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