

## **11 NCAC 12 .1902            UNFAIR OR DECEPTIVE ACTS OR PRACTICES**

(a) The following are unfair or deceptive acts or practices in the business of insurance:

- (1) To deny, refuse to issue, renew or reissue, cancel or otherwise terminate a health benefit plan, or restrict or exclude health benefit plan coverage or add a premium differential to any health benefit plan on the basis of the applicant's or insured's abuse status;
- (2) To exclude or limit coverage for losses or deny a claim incurred by an insured on the basis of the insured's abuse status;
- (3) To request information relating to acts of abuse or an applicant's or insured's abuse status, or make use of that information, however obtained, except for the limited purposes of complying with legal obligations or verifying a person's claim to be a subject of abuse; or
- (4) To terminate group coverage for a subject of abuse because coverage was originally issued in the name of the abuser and the abuser has divorced, separated from, or lost custody of the subject of abuse, or the abuser's coverage has terminated voluntarily or involuntarily. Nothing in this Rule prohibits the insurer or insurance professional from requiring the subject of abuse to pay the full premium for coverage under the health benefit plan or from requiring as a condition of coverage that the subject of abuse reside or work within the insurer's service area, if the requirements are applied to all insureds of the insurer or insurance professional. The health carrier or insurance professional may terminate group coverage after the continuation coverage required by this subsection has been in force for 18 months, if it offers conversion to an individual plan as provided in Part 2 of Article 53 of Chapter 58 of the General Statutes. The continuation coverage required by this section shall be satisfied by coverage required under P.L. 99-272, the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, or under state continuation coverage required under Part 1 of Article 53 of Chapter 58 of the General Statutes, and is not intended to be in addition to coverage provided under COBRA or state continuation. Nothing in this Subparagraph is intended to supersede or interfere with the provisions of G.S. 58-68-60 when the subject of abuse is an "eligible individual" as defined in G.S. 58-68-60(b).

(b) Subparagraph (a)(3) of this Rule does not prohibit an insurer or insurance professional from asking about a medical condition or from using medical information to underwrite or to carry out its duties under the policy, even if the medical information is related to a medical condition that the insurer or insurance professional knows or has reason to know is abuse-related, to the extent otherwise permitted under this Rule and other applicable law.

*History Note:*     *Authority G.S. 58-2-40; 58-53-5; 58-63-65; 58-68-60;*  
                         *Eff. April 1, 2010;*  
                         *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1,*  
                         *2018.*