

## SECTION .0200 - INDIVIDUAL ACCIDENT AND HEALTH INSURANCE

### 11 NCAC 16 .0201 MINIMUM LOSS RATIO STANDARDS

(a) For individual accident and health insurance policies and riders delivered in this State, the standard minimum guideline loss ratio for conditionally renewable, guaranteed renewable, and non-cancelable medical expense, loss of income, and other type coverages, but not including long-term care insurance policies issued in this State on or after February 1, 2003, shall be as promulgated by the National Association of Insurance Commissioners (NAIC) for such coverages as of the issue date of such policies and riders.

(b) If a company fails to satisfy NAIC minimum future or lifetime loss ratio standards for a particular type of coverage, then to comply with the loss ratio standards in Paragraph (a) of this Rule, the company shall:

- (1) combine the experience of such policy forms with other forms with similar type of coverage for which the pooling of experience is actuarially justified;
- (2) provide premium credits or refunds;
- (3) decrease premium rates for one or more subsequent rating periods; or
- (4) implement an actuarially justified alternative proposal.

*History Note: Authority G.S. 58-2-40; 58-3-275; 58-51-95; 58-63-15(7)b;  
Eff. March 1, 1992;  
Amended Eff. July 1, 2006;  
Readopted Eff. October 1, 2018.*