

## **11 NCAC 12 .0517 ACCIDENT AND HEALTH ADVERTISING: DEFINITIONS**

The following definitions are applicable to accident and health advertising Rules 11 NCAC 12 .0516 to .0536 only:

- (1) "Advertisement" is defined as:
  - (a) printed and published material, audio visual material, and descriptive literature of an insurer used in direct mail, newspapers, magazines, radio scripts, TV scripts, billboards and similar displays; and
  - (b) descriptive literature and sales aids of all kinds issued by an insurer, agent or broker for presentation to members of the insurance buying public, including but not limited to circulars, leaflets, booklets, depictions, illustrations, and form letters; and
  - (c) prepared sales talks, presentations and material for use by agents, brokers and solicitors.
- (2) "Policy" is defined as any policy, plan, certificate, contract, agreement, statement of coverage, rider or endorsement which provides long term care, Medicare supplement, accident or sickness benefits or medical, surgical or hospital expense benefits, whether on an indemnity, reimbursement, service or prepaid basis, except when issued in connection with another kind of insurance other than life and except disability, waiver of premium and double indemnity benefits included in life insurance and annuity contracts.
- (3) "Insurer" is defined as any individual, corporation, association, partnership, reciprocal exchange, inter-insurer, Lloyd's, fraternal benefit society, health maintenance organization, and any other legal entity which is defined as an "insurer" in the insurance code of this state and is engaged in the advertisement of a policy as "policy" is herein defined.
- (4) "Exception" is defined as any provision in a policy whereby coverage for a specified hazard is entirely eliminated; it is a statement of a risk not assumed under the policy.
- (5) "Reduction" is defined as any provision which reduces the amount of the benefit; a risk of loss is assumed but payment upon the occurrence of such loss is limited to some amount or period less than would be otherwise payable had such reduction not been used.
- (6) "Limitation" is defined as any provision which restricts coverage under the policy other than an exception or a reduction.
- (7) "Institutional advertisement" is defined as an advertisement having as its sole purpose the promotion of the reader's or viewer's interest in the concept of accident and sickness insurance, or the promotion of the insurer.
- (8) "Invitation to inquire" is defined as advertisement having as its objective the creation of a desire to inquire further about the product and which is limited to a brief description of the loss for which the benefit is payable, and which may contain:
  - (a) the dollar amount of benefits payable; and
  - (b) the period of time during which the benefits are payable; provided the advertisement does not refer to cost; An advertisement which specified either the dollar amount of benefit payable or the period of time during which the benefit is payable shall contain a provision in effect as follows:

"For costs and further details of the coverage, including exclusions, any reductions or limitations and terms under which the policy may be continued in force, see your agent or write to the company."
- (9) "Invitation to contract" is defined as an advertisement which is neither an invitation to inquire nor an institutional advertisement.

*History Note:* Authority G.S. 58-2-40; 58-54-10; 58-54-25; 58-54-35; 58-55-30; 58-63-15; 58-65-1; 58-65-40; 58-67-50; 58-67-150;  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1978;  
Amended Eff. February 1, 1992;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018.