

11 NCAC 12 .1023 INCONTESTABILITY PERIOD

- (a) For a policy that has been in force for less than six months, an insurer may rescind the policy or deny an otherwise valid long-term care insurance claim upon a showing of misrepresentation by the insured that is material to the acceptance for coverage.
- (b) For a policy that has been in force for at least six months but less than two years, an insurer may rescind the policy or deny an otherwise valid long-term care insurance claim upon a showing of misrepresentation by the insured that is both material to the acceptance for coverage and that pertains to the condition for which benefits are sought.
- (c) After a policy has been in force for two years, the policy is not contestable upon the grounds of misrepresentation alone; that policy may be contested only upon a showing that the insured knowingly and intentionally misrepresented relevant facts relating to the insured's health.
- (d) No policy may be field issued based on medical or health status. For purposes of this Paragraph, "field issued" means a policy or certificate issued by an agent or a third-party administrator pursuant to the underwriting authority granted to the agent or third party administrator by an insurer.
- (e) If an insurer has paid benefits under a policy, the benefit payments may not be recovered by the insurer if the policy is rescinded.

History Note: *Authority G.S. 58-2-40(1); 58-55-30(a);
 Eff. December 1, 1994;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1,
 2018.*