

A D & D POLICIES CHECKLIST FOR CODE 56

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60A.06 Kinds Of Insurance Permitted

Subd 3 Limitation On Combination Policies

◆ 60A.08 Contracts Of Insurance

Subd 5 Signatures Required

The signatures may be facsimile signatures and may be placed in brackets [] designating a "variable" item.

60A.082 Group Insurance; Benefits Continued If Insurer Changed

60A.084 Notification On Group Policies

An employer who provides life or health benefits may not change benefits, limit coverage or restrict participation until the certificate holder or enrollee has been notified.

60A.085 Cancellation Of Group Coverage; Notification To Covered Persons

60A.086 Retroactive Termination Prohibited

62A.01 Requirements: Certificates of Coverage Under Policy of Accident and Sickness Insurance.

Subd 2 Equal Protection

A certificate of insurance or similar evidence of coverage issued to a Minnesota resident shall provide coverage for all benefits required to be covered in group policies in Minnesota by this chapter and chapter 62E. Certain exceptions apply.

62A.011 Definitions

Subd 3 Health Plan Defined.

Accidental Death and Dismemberment coverage is NOT a "Health Plan".

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62A.02 Policy Forms

Subd 3 Standards for Disapproval.

Exclusions in accidental death & dismemberment coverage (A D & D) that are found to be not in the public interest will be disapproved. The following A D & D exclusions have been found to be not in the public interest.

- Assault

Our Department regards assault as too vague of legal meaning for equity and fair claims administration.

- Regarding provisions pertaining to “arrests” vs “conviction”

Provisions relating to “arrests” are viewed not to be in the public interest. Provisions relating to “convictions”, rather than arrest, are acceptable.

- Intoxication or influence of alcohol

The intoxication exclusion in these policies may only limit coverage if a person is driving or operating a motor vehicle and is determined to have a blood alcohol level exceeding the legal limit as defined by state law.

- Involuntary ingestion or inhalation of poison, drugs, narcotics, gas or fumes, or other deleterious substances
- Unintentional self-inflicted injury
- Accidental or hostile gun-shot wounds
- Motorized speed contests or races

Such an exclusion is acceptable if it is the persons’ occupation or if it is an **organized** speed contest or race.

- Exclusions must be specific and include a list of the activities or avocations. We believe that the open-ended exclusions are vague and

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misleading, and could be subject to confusion; since one insured's hobby may be another insured's "hazardous activity". Companies must refrain from using open-ended exclusions.

◆ **62A.021 Health Care Policy Rates**

For health, we require proof of a reasonable loss ratio. Insurers must forward an actuarial memorandum.

62A.023 Notice Of Rate Change

A health insurer or service plan corporation must send written notice to its policyholders and contract holders at their last known address at least 30 days in advance of the effective date of a proposed rate change. This notice requirement does not apply to individual certificate holders covered by group insurance policies or group subscriber contracts.

62A.024 Explanations Of Rate Increases; Attribution To Statutory Changes

If any health carrier, as defined in section 62A.011, informs a policyholder or contract holder that a rate increase is due to a statutory change, the health carrier must disclose the specific amount of the rate increase directly due to the statutory change and must identify the specific statutory change. This disclosure must also separate any rate increase due to medical inflation or other reasons from the rate increase directly due to statutory changes in this chapter, chapter 62C, 62D, 62E, 62H, 62J, 62L, or 64B.

◆ **62A.03 General Provisions Of Policy (Individual)**

(All individual contracts of accident and sickness insurance)

◆ **62A.04 Standard Provisions (Individual And Group)**

Subd 2 Required Provisions

This is mandated for both individual and group coverage due to statement in 62A.10 which states the following: "These forms shall contain the standard provisions relating and applicable to health and accident insurance and shall conform with the other requirements of law relating to the contents and terms of policies of accident and sickness insurance

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insofar as they may be applicable to group accident and health insurance...” This statement is cross-referenced with the following statement found in 62A.04: “Any references to “standard provisions” which may appear in other sections and which refer to accident and sickness or accident and health insurance shall hereinafter be construed as referring to accident and sickness policy provisions.”

Subd 3 (11) Narcotics

The standard provision excluding “Narcotics” does not include “Alcohol”.

Subd 10 Return Of Premium (Limitation)

62A.044 Payments to Governmental Institutions

Occasionally, contracts will pay benefits only if “legally” obligated. The word "legally" must be removed from the wording of your prescription drug exclusion. M. S. 62A.044 prohibits exclusions for services in a governmental owned or operated hospital or medical facility in any instance wherein charges for such services are imposed.

62A.081 Payments To Facilities Operated By State Or Local Government

◆62A.10 Group Insurance

Even if the group policy/contract is not required to be filed, certificates of insurance evidencing coverage under such a contract, if issued to Minnesota resident, are policy forms that are required to be filed. (Refer to Minn. Stat. § [62A.01, Subd. 2](#) Equal Protection.)

62A.105 Transfers (Of Coverage) To Substantially Similar Products

◆62A.135 Fixed Indemnity Policies: Minimum Loss Ratios

Any policy filed as a fixed indemnity policy must establish that 50 percent or more of the total claims are predetermined, specified, fixed benefits. If this cannot be evidenced with the filing, the policy must be filed as a comprehensive major medical policy.

◆62A.14 Handicapped Children

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◆(applicable when hospital or medical expense coverage provided)

Termination upon attainment of a limiting age does not apply to children who are (a) incapable of self-sustaining employment by reason of mental retardation, mental illness or disorder, or physical handicap and (b) chiefly dependent upon the policyholder for support and maintenance. Proof of such incapacity must be furnished to the insurer within 31 days of the child's attainment of the limiting age and may be required annually after the two-year period following the child's attainment of the limiting age.

◆**62A.141 Handicapped Dependents**

◆(applicable only to group coverage and when hospital or medical expense coverage provided)

62A.15 Coverage Of Certain Licensed Health Professional Services

62A.151 Health Insurance Benefits For Emotionally Handicapped Children

◆ (applicable when non-indemnity expense coverage provided)

62A.17 Termination Have or Layoff from Employment; Continuation and Conversion Rights

◆(Applicable only when non-indemnity expense coverage included)

62A.18 Disability Offsets Prohibited

Policy may not offset or reduce any benefit due to any increase in disability benefits received or receivable. The disability benefits referred to are social security benefits, railroad retirement benefits, veteran's disability benefits, workers' compensation benefits or any other benefit pursuant to federal or state law

62A.22 Refusal to Provide Coverage Because Of Option under Workers' Compensation

62E.05 All Plans of Health Coverage, Except Medicare Supplement Policies, Shall be labeled As "Qualified" Or "Nonqualified"

The labeling requirement found in 62E.05 may not apply certain instances:

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- 62E.02 subd 9 and subd 11 include definitions for "plan of health coverage" and "accident and health insurance policy" or "policy". "Accident and health insurance policy" or "policy" means insurance or nonprofit health service plan contracts providing benefits for hospital, surgical and medical care. Specific types of coverage are exempt from this requirement,
- 62E.02, subd 11 includes a list of exceptions. Consequently, if the "A D & D only" policy is a blanket accident & sickness policy, or an indemnity type plan it is exempt from this requirement. [Please note the exception to the exemption when hospital indemnity coverage is sold to an applicant who is not then currently covered by a qualified plan.]

65B.61 Coordination With No-fault

Subd 3 Rating Requirement If Benefits Coordinated With No-fault Auto Payments

◆72A.51 & 72A.52 Right To Cancel (Individual Only)

The caption "RIGHT TO CANCEL" or alternatively acceptable "RIGHT TO EXAMINE AND CANCEL" and the statutory language must be printed on the contract and comply with the statutory time frames for cancellation and return of premium. The printed notice may not be stapled, pinned, or rubber stamped. However, if necessary we will accept a printed sticker that will completely cover the non-compliant language.

◆72C.08 Format Requirement

Subd 1(a) "Read Your Policy Carefully"

Minn Rule 2755 Group Replacement Rules

Use of Brackets

The Department accepts limited use of brackets. Extensive bracketing of sections in a policy could affect the rating of "qualified" or "non-qualified" plans (Minn. Stat. § 62E.05) and could possibly be changed without review by the Department. Policy form

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filings need to be accompanied by the intended alternate, replacement, and/or additional language. The use of these brackets, within the approved form, will be limited to the alternatives filed by the company. If the contract form has indicated language that is variable, please prepare a separate "statement of variability" that can be retained with the filing. The statement should specify the range of variation of each applicable contract provision and detail the effect on benefits payable to the insured. Files that specifically identify, in brackets, the maximum fee (or range for such fees) that will be charged are acceptable for approval of the form. However, the approval is with the understanding that the actual form will not be issued with "variable" elements included therein.