

INSURANCE

CHAPTER 884

SENATE BILL NO. 2602
(Committee on Industry, Business and Labor)
(At the request of the Commissioner of Insurance)
(Approved by the Committee on Delayed Bills)

MEDICARE SUPPLEMENT INSURANCE

AN ACT to amend and reenact subsections 3 and 4 of section 26.1-36.1-01 and subsection 4 of section 26.1-36.1-02 of the North Dakota Century Code, relating to medicare supplement policies; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsections 3 and 4 of section 26.1-36.1-01 of the 1991 Supplement to the North Dakota Century Code are amended and reenacted as follows:

3. "Medicare" means the Health Insurance for the Aged and Disabled Act, title XVIII of the Social Security Act of ~~1935~~ 1965, as amended [Pub. L. 92-603; 86 Stat. 1370].
4. "Medicare supplement policy" means a group or individual accident and health insurance policy or a subscriber contract of a health service corporation or a health care plan of a health maintenance organization or preferred provider organization, which is advertised, marketed, or designed primarily as a supplement to reimbursements under medicare for the hospital, medical, or surgical expenses of persons eligible for medicare by reason of age. The term does not include:
 - a. A policy or contract of one or more employers or labor organizations, or of the trustees of a fund established by one or more employers or labor organizations, or combination thereof, for employees or former employees, or combination thereof, or for members or former members, or combination thereof, of the labor organizations.
 - b. A policy or contract of any professional, trade, or occupational association for its members or former or retired members, or combination thereof, if the association:
 - (1) Is composed of individuals all of whom are actively engaged in the same profession, trade, or occupation;
 - (2) Has been maintained in good faith for purposes other than obtaining insurance; and

- (3) Has been in existence for at least two years prior to the date of its initial offering of the policy or plan to its members.

SECTION 2. AMENDMENT. Subsection 4 of section 26.1-36.1-02 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4. A policy or certificate of insurance providing medicare supplement benefits which is sold to a consumer ~~in addition to another medicare supplement policy or which is sold to a consumer to replace such a policy~~ another medicare supplement policy or certificate may not contain any provision limiting payment of benefits due to preexisting conditions of the insured except if there is any time period remaining relating to the exclusion of coverage for preexisting conditions as specified in the underlying policy that remaining waiting period for coverage of preexisting conditions applies to the new policy unless the policy otherwise provides.

SECTION 3. EFFECTIVE DATE. This Act becomes effective on the date it is filed with the secretary of state.

Approved November 14, 1991
Filed November 14, 1991