

## Article 52.

### Joint Action to Insure Elderly.

#### **§ 58-52-1. Definitions.**

Wherever used in this Article, the following terms shall have the respective meanings hereinafter set forth or indicated, unless the context otherwise requires:

- (1) "Association" means a voluntary unincorporated association formed for the sole purpose of enabling joint and cooperative action to provide accident and health insurance in accordance with this Article in this or any other State having legislation enabling the issuance of insurance of the type provided in this Article.
- (2) "Insurer" means any insurance company which is authorized under Articles 1 through 64 of this Chapter to transact accident and health insurance business in this State. (1963, c. 1125.)

#### **§ 58-52-5. Joint action to insure persons 65 years of age or over and their spouses permitted; associations of insurers; individual and group policies.**

Notwithstanding any other provisions of Articles 1 through 64 of this Chapter or any other law which may be inconsistent herewith, any insurer may join with one or more other insurers to plan, develop, underwrite, offer, sell and provide to or for any resident person of this State, or of another state if permitted by the laws of such other state, who is 65 years of age or over and to the spouse of such person, insurance against financial loss from accident or sickness, or both. Such insurance may also cover an employer's nonresident employees and nonresident retired employees 65 years of age or older and their spouses, provided such employees are regularly employed within this State or were so employed at the time of their retirement. Such insurance may be offered, issued and administered through an association of two or more insurers which association is formed for the purpose of offering, selling, issuing and administering such insurance, and may be in the form of a policy insuring a resident who is 65 years of age or older, and the spouse of such resident, if any, or in the form of a group policy insuring residents 65 years of age or older and the spouses of such residents, or in both forms. On such insurance each insurer shall be severally liable for a percentage of the risks determined under the articles of association of the association. The insurer members of such association may agree with respect to premium rates, policy provisions, commission rates and other matters within the scope of this Article. (1963, c. 1125; 1965, c. 677; 1991, c. 720, s. 72.)

#### **§ 58-52-10. Regional plans authorized.**

If "over 65" accident and health insurance plans exist or hereafter come into existence in other states pursuant to legislative authority similar to that herein given, North Carolina insurers may jointly participate with insurers of such other states in forming a regional plan to carry out the purposes of this Article. Any association formed for the operation of a regional plan shall be exempt from the provisions of G.S. 58-3-85 and may engage in business in North Carolina through its insurer members only, without being separately licensed. (1963, c. 1125.)

#### **§ 58-52-15. Forms and rate manuals subject to § 58-51-1; disapproval of rates.**

The forms of the policies, applications, certificates or other evidence of insurance coverage and the rate manual showing rates, rules and classification of risks applicable thereto shall be subject to the applicable provisions of G.S. 58-51-1. The Commissioner may disapprove the premium rates

for such insurance, or any class thereof, if he finds that such rates are by reasonable assumptions excessive in relation to the benefits provided. In determining whether such rates by reasonable assumptions are excessive in relation to the benefits provided, the Commissioner shall give due consideration to past and prospective claim experience on such insurance, or other comparable insurance, within and outside this State, and to fluctuations in such claim experience, to a reasonable risk charge, to contribution to surplus and contingency funds, to past and prospective expenses, both within and outside this State, and to all other relevant factors within and outside this State, including any differing operating methods of the insurers joining in the issue of such insurance. In the event of any such disapproval, the decision of the Commissioner shall be subject to review under G.S. 58-2-75. In exercising the powers conferred by this section, the Commissioner shall not be bound by any other requirements of Articles 1 through 64 of this Chapter with respect to standard provisions required to be included in the forms of the policies, applications, certificates or other evidence of insurance coverage filed with the Commissioner. (1963, c. 1125.)

**§ 58-52-20. Organization of associations of insurers; powers; annual statements; mutual insurers may participate.**

An association formed for the purposes of this Article shall adopt articles of association for the organization, administration and regulation of its affairs, which articles of association and any amendments thereto shall be filed within 30 days of adoption of same with the Commissioner. Such association may establish requirements for membership of insurers, hold title to property, incur expenses for advertising, soliciting and administering such insurance, including payment of salary or compensation to persons employed by it, enter into contracts, limit the liability of and among its members, and shall be subject to the provisions of G.S. 1-69.1.

Such association shall file annually with the Commissioner, on such date and in such form as the Commissioner may prescribe, a statement with respect to its operations.

For the purpose of implementing joint action of insurers in furnishing accident and health insurance coverage to persons 65 years of age and older and their spouses, in accordance with the intent of this Article as expressed herein, insurers operating on a mutual plan, or on any other membership basis, may participate in such a plan, and the persons insured through the plan shall not be entitled to membership in any such insurer nor shall they be entitled to any dividend rights, voting rights, or any other rights peculiar to mutual insurance policyholders and participants in membership insurance plans. (1963, c. 1125; 1991, c. 720, s. 4.)

**§ 58-52-25. No additional licensing required.**

Accident and health insurance authorized by this Article and offered by or through an association formed for the purpose of this Article may be solicited and offered directly by such association, any insurer member of such association, and by or through any person authorized by the Department to sell accident and health insurance in this State, without any additional license being required. (1963, c. 1125; 1991, c. 720, s. 60.)