

**§2413. Grounds for disapproval**

1. The superintendent shall disapprove any form filed under section 2412, or withdraw any previous approval thereof, only on one or more of the following grounds:

- A. If it is in any respect in violation of or does not comply with this Title; [PL 1969, c. 132, §1 (NEW).]
- B. If it contains or incorporates by reference, where such incorporation is otherwise permissible, any inconsistent, ambiguous or misleading clauses, or exceptions and conditions which deceptively affect the risk purported to be assumed in the general coverage of the contract; [PL 1969, c. 132, §1 (NEW).]
- C. If it has any title, heading or other indication of its provisions which is misleading; [PL 1969, c. 132, §1 (NEW).]
- D. As to an individual health insurance policy, if the benefits provided therein are unreasonable in relation to the premium charged; or, as to any health insurance contract, if it contains any unjust, unfair or inequitable provision or provisions; [PL 1969, c. 132, §1 (NEW).]
- E. As to a life insurance or health insurance policy, if it contains a provision or provisions such as to encourage misrepresentation; [PL 1991, c. 211, §1 (AMD).]
- F. As to Medicare supplement policies or contracts, as defined in chapter 67, if the policy cannot be anticipated, as estimated for the entire period for which rates are to be computed to provide coverage, on the basis of incurred claims experience and earned premiums for that period and in accordance with accepted actuarial principles and practices, to return to policyholders in the form of aggregate benefits provided under the policy at least 65% of the aggregate amount of premiums collected in the case of individual policies and at least 75% of the aggregate amount of premiums collected in the case of group policies; or [PL 1991, c. 211, §2 (AMD).]
- G. As to an individual health insurance policy, contract or rider, if it insures against a specific disease and does not meet the minimum loss ratio standards specified in subparagraph (2).

(1) As used in this paragraph, unless the context otherwise indicates, the following terms have the following meanings.

- (a) "Conditionally renewable" means renewal may be declined by the insurer by class, geographic area or for stated reasons other than health.
- (b) "Guaranteed renewable" means renewal may be declined by the insurer only for nonpayment of premium but rates may be revised on a class basis.
- (c) "Noncancelable" means renewal may not be declined by the insurer and rates may not be revised.
- (d) "Optionally renewable" means renewal is at the option of the insurer.

(2) The loss ratio standards for each type of renewal clause are:

- (a) Optionally renewable insurance, 60%;
- (b) Conditionally renewable insurance, 55%; and
- (c) Guaranteed renewable and noncancelable insurance, 50%. [PL 1991, c. 211, §3 (NEW).]

[PL 1991, c. 211, §§1-3 (AMD).]

2. The insurer shall not use in this State any such form after disapproval or withdrawal of approval. [PL 1969, c. 132, §1 (NEW).]

**SECTION HISTORY**

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). PL 1981, c. 234, §§2,3 (AMD). PL 1989, c. 27, §1 (AMD). PL 1991, c. 211, §§1-3 (AMD).

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