

The insurance policy document prepared by the North Carolina Department of Insurance's Market Regulation Division outlines comprehensive guidelines for a Market Conduct Examination of a specified insurance company operating in North Carolina. It emphasizes the necessity for timely and accurate submission of policy and claim data, with non-compliance potentially leading to violations of North Carolina General Statutes. The examination process is structured into phases, beginning with a Pre-Examination Conference to establish communication and clarify requirements, followed by two main phases of examination. The first phase reviews the company's history, management, and operational procedures, while the second phase focuses on consumer complaints, policy forms, sales practices, and claims management. A wrap-up conference will summarize findings, and a report will be drafted, which the company can review for 30 days before it may become public unless a response is provided.

The document specifies various types of insurance coverage, including Universal Life, Individual Life - Variable, Disability (both Long-Term and Short-Term), Supplemental Health (covering Cancer, Dread Disease, Hospital Indemnity, Surgical, and Intensive Care), Dental, Major Medical, Medicare Supplement, Long-Term Care, and group policies. It mandates a review of nonforfeiture activities, such as Automatic Premium Loans, Policy Loans, and Cash Surrenders, ensuring compliance with North Carolina statutes. Claims practices will be scrutinized for accuracy and compliance, requiring separate electronic data lists for all paid and denied claims across multiple lines of business. Utilization management will be assessed through reviews of prospective, concurrent, and retrospective activities, as well as appeals related to non-certification.

The document outlines the requirements for preparing electronic files for submission, emphasizing accuracy and compliance with specified formats, including file naming conventions. It details the necessary information for individual policies, such as policy numbers, insured names, action types, and producer details, as well as the process for replacements and the categorization of group policies. The claims section provides a structured overview of the claims process, including claim

numbers, action types, claim dates, and benefit amounts, ensuring clarity in coverage, exclusions, claims procedures, and policyholder obligations.

Additionally, the document addresses utilization management activities, requiring detailed summaries of precertifications, concurrent reviews, retrospective reviews, and appeals, with specific formats for data organization. It also emphasizes the importance of distinguishing between quality of care grievances and other types in grievance data. Facilities requirements for on-site examinations are specified, including the need for private workspace and access to technology. The document concludes with a schedule for the market conduct examination, detailing commencement and estimated completion dates, along with contact information for the assigned analyst and the Deputy Commissioner for further inquiries. Overall, this comprehensive framework aims to ensure compliance with regulatory standards and improve market conduct practices within the insurance industry in North Carolina.