

1300 Health Insurance General Provisions

**1309 Non-cancelable and Guaranteed Renewable Group Health Terminology Defined
[Formerly Regulation 76]**

1.0 Authority

This regulation has been adopted and promulgated in accordance with 18 **Del.C.** 314, which provides authority for the Commissioner to establish reasonable rules and regulations for the implementation of any provisions of the Delaware Insurance Code.

2.0 Purpose

The purpose of this regulation is to define the terminology for Guaranteed Renewable/Non-Cancelable Group Health Insurance Policies.

3.0 Applicability and Scope

This regulation will apply to all group health insurance contracts providing benefits solely for retirees and their eligible dependents delivered in this State on or after the effective date of this regulation. The definitions in this section shall not apply to Small Employer Groups, Medicare or individual health policies.

4.0 Non-cancelable or non-cancelable and guaranteed renewable group health policy defined

- 4.1 The terms "**non-cancelable**" or "**non-cancelable guaranteed renewable**" may be used only in a group health policy under which the policyholder has the right to continue coverage in force as to each covered person by the timely payment of premiums set forth in the policy (1) until that covered person has reached at least age 50, or (2) in the case of coverage becoming effective as to a covered person after age 44, for at least five years from the date coverage becomes effective, during which period the insurer has no right to make unilaterally any change in any provision of the policy as to that covered person while the policy is in force.

5.0 Guaranteed renewable group health policies defined

- 5.1 Except as provided above, the term "guaranteed renewal" may be used only in a group health policy under which the policyholder has the right to continue coverage in force as to any covered person by the timely payment of premiums (1) until that covered person has reached at least age 50, or (2) in the case of coverage becoming effective as to a covered person after age 44, for at least five years from the date coverage becomes effective, during which period the insurer has no right to make unilaterally any change in any provision of the policy as to that covered person while the policy is in force, except that the insurer may make changes in premium rates by classes.
- 5.2 The foregoing limitation on the use of the term "non-cancelable" shall also apply to any synonymous term such as "guaranteed continuable."
- 5.3 Nothing herein contained is intended to restrict the development of policies having other guarantees of renewability, to prevent the accurate description of their terms of renewability or the classification of such policies as guaranteed renewable or non-cancelable for any period during which they may actually be such, provided the terms used to describe them in policy contracts and advertising are not such as may readily be confused with the above terms.