

NONCANCELLABLE AND GUARANTEED RENEWABLE TERMINOLOGY DEFINED

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Section 1. Applicability

The terms “non-cancellable” or “non-cancellable and guaranteed renewable” may be used only in a policy which the insured has the right to continue in force by the timely payment of premiums set forth in the policy until at least age fifty (50), or in the case of a policy issued after age forty-four (44), for at least five (5) years from its date of issue, during which period the insurer has no right to make unilaterally any change in any provision of the policy while the policy is in force.

Section 2. Guaranteed Renewable Policies Defined

Except as provided above, the term “guaranteed renewable” may be used only in a policy that the insured has the right to continue in force by the timely payment of premiums until at least age fifty (50), or in the case of a policy issued after age forty-four (44), for at least five (5) years from its date of issue, during which period the insurer has no right to make unilaterally any change in any provision of the policy while the policy is in force, except that the insurer may make changes in premium rates by classes.

The foregoing limitation on use of the term “non-cancellable” shall also apply to any synonymous term such as “guaranteed continuable.”

Nothing herein contained is intended to restrict the development of policies having other guarantees of renewability, or to prevent the accurate description of their terms of renewability or the classification of such policies as guaranteed renewable or non-cancellable 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.

Comment: These minimum requirements have been prepared in an effort to make the language conform as closely as possible with various suggestions in the past and to be consistent with existing NAIC language, with state rulings, letters and existing law, and with the U.S. Senate Committee Report on HR 4245 of 1959 (life insurance company taxation). The recommended limiting ages are consistent with the NAIC Uniform Individual Accident and Sickness Policy Provisions Law with the definition used in 1956 (See 1956 NAIC Proceedings II 293) and with the definition in California’s law for non-cancellable insurance. We further recommend that your committee affirm the opinion that any required or optional provision contained in the 1950 NAIC Uniform Individual Accident and Sickness Policy Provisions Law which may be used in a “non-cancellable” or “non-cancellable and guaranteed renewable” policy may also be used in a “guaranteed renewable policy.”

Drafting Note: Section 7 of the NAIC Rules Governing the Advertisement of Accident and Sickness Insurance provides that any advertisement of a policy which refers to renewability or cancellability must disclose in a manner which would not minimize or render obscure any qualifications relating to renewability or cancellability. The same requirement of clear disclosure should also apply with respect to policy forms.

Chronological Summary of Action (all references are to the Proceedings of the NAIC)

1960 Proc. I 148, 153-154, 157 (adopted).

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This chart is intended to provide readers with additional information to more easily access state statutes, regulations, bulletins or administrative rulings related to the NAIC model. Such guidance provides readers with a starting point from which they may review how each state has addressed the model and the topic being covered. The NAIC Legal Division has reviewed each state’s activity in this area and has determined whether the citation most appropriately fits in the Model Adoption column or Related State Activity column based on the definitions listed below. The NAIC’s interpretation may or may not be shared by the individual states or by interested readers.

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Nor does this state page reflect a determination as to whether a state meets any applicable accreditation standards. Every effort has been made to provide correct and accurate summaries to assist readers in locating useful information. Readers should consult state law for further details and for the most current information.

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KEY:

MODEL ADOPTION: States that have citations identified in this column adopted the most recent version of the NAIC model in a **substantially similar manner**. This requires states to adopt the model in its entirety but does allow for variations in style and format. States that have adopted portions of the current NAIC model will be included in this column with an explanatory note.

RELATED STATE ACTIVITY: Examples of Related State Activity include but are not limited to: older versions of the NAIC model, statutes or regulations addressing the same subject matter, or other administrative guidance such as bulletins and notices. States that have citations identified in this column **only** (and nothing listed in the Model Adoption column) have **not** adopted the most recent version of the NAIC model in a **substantially similar manner**.

NO CURRENT ACTIVITY: No state activity on the topic as of the date of the most recent update. This includes states that have repealed legislation as well as states that have never adopted legislation.

NAIC MEMBER	MODEL ADOPTION	RELATED STATE ACTIVITY
Alabama	NO CURRENT ACTIVITY	
Alaska		ALASKA STAT. ANN. § 21.36.225 (2011).
American Samoa	NO CURRENT ACTIVITY	
Arizona	NO CURRENT ACTIVITY	
Arkansas	NO CURRENT ACTIVITY	
California	CAL. INS. CODE §§ 10273 to 10273.5 (1961).	
Colorado	NO CURRENT ACTIVITY	
Connecticut	NO CURRENT ACTIVITY	
Delaware	DEL. ADMIN. CODE tit. 18, § 1309 (1995/2003).	
District of Columbia	NO CURRENT ACTIVITY	
Florida	FLA. ADMIN. CODE ANN. r. 690-154.004 (1974).	
Georgia	NO CURRENT ACTIVITY	
Guam	NO CURRENT ACTIVITY	
Hawaii	NO CURRENT ACTIVITY	
Idaho	NO CURRENT ACTIVITY	
Illinois	ILL. ADMIN. CODE tit. 50, § 2003 (1965/2001).	

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NAIC MEMBER	MODEL ADOPTION	RELATED STATE ACTIVITY
Indiana	NO CURRENT ACTIVITY	
Iowa	NO CURRENT ACTIVITY	
Kansas		KAN. ADMIN. REGS § 40-4-4 (1966/1986).
Kentucky	NO CURRENT ACTIVITY	
Louisiana	NO CURRENT ACTIVITY	
Maine		ME. REV. STAT. ANN. tit. 24-A, § 2737 (1970) (includes definition of “noncancellable”).
Maryland		MD. CODE ANN., INS. § 27-602 (2006/2009).
Massachusetts	NO CURRENT ACTIVITY	
Michigan	NO CURRENT ACTIVITY	
Minnesota	NO CURRENT ACTIVITY	
Mississippi	19 MISS. ADMIN. CODE Pt. 3, R. 3.01 (2012).	
Missouri	NO CURRENT ACTIVITY	
Montana	NO CURRENT ACTIVITY	
Nebraska	NO CURRENT ACTIVITY	
Nevada	NO CURRENT ACTIVITY	
New Hampshire	NO CURRENT ACTIVITY	
New Jersey	N.J. ADMIN. CODE § 11:4-18.3 (1980/1989).	
New Mexico	NO CURRENT ACTIVITY	
New York	N.Y. COMP. CODES R. & REGS. tit. 11, § 52.17 (Regulation 62) (1972/1992).	
North Carolina	NO CURRENT ACTIVITY	
North Dakota	NO CURRENT ACTIVITY	

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NAIC MEMBER	MODEL ADOPTION	RELATED STATE ACTIVITY
Northern Marianas	NO CURRENT ACTIVITY	
Ohio	NO CURRENT ACTIVITY	
Oklahoma	NO CURRENT ACTIVITY	
Oregon	NO CURRENT ACTIVITY	
Pennsylvania	NO CURRENT ACTIVITY	
Puerto Rico	NO CURRENT ACTIVITY	
Rhode Island	NO CURRENT ACTIVITY	
South Carolina	NO CURRENT ACTIVITY	
South Dakota	NO CURRENT ACTIVITY	
Tennessee	TENN. CODE ANN. § 56-26-101 (1976).	
Texas	28 TEX. ADMIN. CODE §§ 3.3019 to 3.3020 (1977).	
Utah	NO CURRENT ACTIVITY	
Vermont	NO CURRENT ACTIVITY	
Virgin Islands	NO CURRENT ACTIVITY	
Virginia	NO CURRENT ACTIVITY	
Washington		WASH. ADMIN. CODE 284-50-330 (1976).
West Virginia	NO CURRENT ACTIVITY	
Wisconsin	WIS. ADMIN. CODE INS. § 3.13(2)(e) (1964/2009).	
Wyoming	NO CURRENT ACTIVITY	