



## ADMINISTRATIVE RULES OF MONTANA

### 6.6.509 REQUIRED DISCLOSURE PROVISIONS

- (1) Medicare supplement policies and certificates must include a renewal or continuation provision. The language or specifications of the provision must be consistent with the type of contract to be issued. The provision must be appropriately captioned, must appear on the first page of the policy, and must include any reservation by the issuer of the right to change premiums and any automatic renewal premium increases based on the policyholder's age.
- (2) Except for riders or endorsements by which the issuer effectuates a request made in writing by the insured or exercises a specifically reserved right under a Medicare supplement policy, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a Medicare supplement policy after date of issue or at reinstatement or renewal which reduce or eliminate benefits or coverage in the policy must require a signed acceptance by the insured. After the date of policy or certificate issue, any rider or endorsement that increases benefits or coverage with a concomitant increase in premium during the policy term must be agreed to in writing and signed by the insured, unless the increased benefits or coverage are required by the minimum standards for Medicare supplement policies, or if the increased benefits or coverage is required by law. If a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge must be set forth in the policy.
- (3) Medicare supplement policies or certificates must not provide for the payment of benefits based on standards described as "usual and customary," "reasonable and customary," or words of similar import.
- (4) If a Medicare supplement policy or certificate contains any limitations with respect to preexisting conditions, the limitations must appear as a separate paragraph of the policy and be labeled as "Preexisting Condition Limitations".
- (5) Medicare supplement policies and certificates must have notices prominently printed on the first page of the policy or certificate or attached thereto stating in substance that the policyholder or certificateholder shall have the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded if, after examination of the policy or certificate the insured person is not satisfied for any reason.
- (6) Issuers of accident and sickness policies or certificates or subscriber contracts that provide hospital or medical expense coverage on an expense incurred or indemnity basis to persons eligible for Medicare must provide to such applicants a Medicare supplement "buyer's guide". This may be the pamphlet entitled "Guide to Health Insurance for People with Medicare," developed jointly by the national association of insurance commissioners and the center for Medicaid and Medicare services (CMS) of the U.S. Department of Health and Human Services, or any reproduction or

official revision of that pamphlet in a type size no smaller than 12 point type. The "buyer's guide" must conform to the language, format, type size, type proportional spacing, bold character, and line spaces as specified in Appendix C of the NAIC Model Regulation (see ARM 6.6.526).

- (a) Delivery of the "buyer's guide" must be made whether or not such policies or certificates are advertised, solicited, or issued as Medicare supplement policies or certificates as defined in this rule. Except in the case of direct response issuers, delivery of the "buyer's guide" must be made to the applicant at the time of application and acknowledgment of receipt of the "buyer's guide" must be obtained by the issuer. Direct response issuers must deliver the "buyer's guide" to the applicant upon request but not later than at the time the policy is delivered.
- (7) As soon as practicable, but no later than 30 days prior to the annual effective date of any Medicare benefit changes, an issuer shall notify its policyholders and certificateholders of modifications it has made to Medicare supplement insurance policies or certificates in a format acceptable to the commissioner. Such notice must:
- (a) include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement policy or certificate; and
  - (b) inform each policyholder or certificateholder as to when any premium adjustment is to be made due to changes in Medicare;
  - (c) The notice of benefit modifications and any premium adjustments shall be in outline form and in clear and concise terms so as to facilitate comprehension; and
  - (d) Such notices must not contain, or be accompanied by, any solicitation.
- (8) Issuers shall comply with any notice requirements of the MMA.
- (9) Issuers shall provide an outline of coverage to each applicant at the time application is presented to the prospective applicant and, except for direct response policies, shall obtain an acknowledgment of receipt of such outline from the applicant:
- (a) If an outline of coverage is provided at the time of application and the Medicare supplement policy or certificate is issued on a basis which would require revision of the outline, a substitute outline of coverage properly describing the policy or certificate must accompany such policy or certificate when it is delivered and contain the following statement, in no less than 12 point bold type, immediately above the company name:

"NOTICE: Read this outline of coverage carefully. It is not identical to the outline of coverage provided upon application and the coverage originally applied for has not been issued."

- (b) The outline of coverage provided to applicants consists of a cover page, premium information, disclosure pages, and charts displaying the features of each benefit plan offered by the issuer. The outline of coverage must be in the language and format prescribed below in no less than 12 point type. All plans must be shown on the cover page, and the plans that are offered by the issuer must be prominently identified. Premium information for plans that are offered must be shown on the cover page or immediately following the cover page and must be prominently displayed. The premium and mode shall be stated for all plans

that are offered to the prospective applicant. All possible premiums for the prospective applicant must be illustrated.

- (10) The CSI adopts and incorporates by reference the National Association of Insurance Commissioners (NAIC) Model Regulation to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act (MDL-651), page 651-42 through page 651-84, which was last adopted in 2023. Specifically, those pages of the NAIC MDL-651 set forth benefit charts, disclosures to insureds, and outlines of coverage for 2010 or 2020 Medicare supplement plans, as applicable, that must be included in the outline of coverage provided to the consumer in the same order as set forth in NAIC MDL-651, except that asterisks can be represented numerically and asterisked text appearing at the top or beginning of a document can instead appear at the bottom or end of the document. Copies of the NAIC MDL-651 (2023) are available for public inspection online at [http://www.naic.org/prod\\_serv\\_model\\_laws.htm](http://www.naic.org/prod_serv_model_laws.htm) and at the Office of the Commissioner of Securities and Insurance, Montana State Auditor, Legal Department, 840 Helena Avenue, Helena, Montana 59601. Persons obtaining a copy of these forms must pay the cost of providing such copies.
- (11) Any accident and sickness insurance policy or certificate, other than a Medicare supplement policy; or a policy issued pursuant to a contract under section 1876 or section 1833 of the Federal Social Security Act (42 USC Sec. 1395, et seq.), disability income policy; basic, catastrophic, or major medical expense policy; single premium nonrenewable policy or other policy identified in ARM 6.6.503(2) issued for delivery in this state to persons eligible for Medicare by reason of age must be accompanied by a notice to the insureds under the policy that the policy is not a Medicare supplement policy or certificate. The notice must either be printed on or attached to the first page of the outline of coverage delivered to insureds under the policy, or if no outline of coverage is delivered, to the first page of the policy or certificate delivered to insureds. The notice must be in no less than 12 point type and must contain the following language: "THIS (POLICY OR CERTIFICATE) IS NOT A MEDICARE SUPPLEMENT (POLICY OR CERTIFICATE). If you are eligible for Medicare, review the Medicare Supplement Buyers Guide available from the company."
- (12) Applications provided to persons eligible for Medicare for the health insurance policies or certificates described in this rule shall disclose, using the applicable statement in Appendix C of the NAIC Model Regulation, which was incorporated by reference in ARM 6.6.519, the extent to which the policy duplicates Medicare. The disclosure statement shall be provided as a part of, or together with, the application for the policy or certificate.

**Authorizing statute(s):** 33-1-313, 33-22-904, 33-22-907, MCA

**Implementing statute(s):** 33-15-303, 33-22-902, 33-22-904, 33-22-907, MCA

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**History:** NEW, 1981 MAR p. 1474, Eff. 2/1/82; AMD, 1990 MAR p. 1688, Eff. 9/1/90; AMD, 1993 MAR p. 1487, Eff. 7/16/93; AMD, 1996 MAR p. 1637, Eff. 6/21/96; AMD, 1998 MAR p. 3269, Eff. 12/18/98; AMD, 2000 MAR p. 3518, Eff. 12/22/00; AMD, 2004 MAR p. 313, Eff. 2/13/04; AMD, 2005 MAR p. 1672, Eff. 9/9/05; AMD, 2009

MAR p. 1107, Eff. 7/17/09; AMD, 2013 MAR p. 1819, Eff. 10/18/13; AMD, 2018 MAR p. 572, Eff. 3/17/18;  
AMD, 2024 MAR p. 1188, Eff. 5/25/24.