

**NORTH CAROLINA DEPARTMENT OF INSURANCE**

**“ASSOCIATION” ARRANGEMENTS  
QUESTIONS AND REQUIRED INFORMATION**

**DIRECTIONS**

The following interrogatories are information the Department requires in order to review “association” group arrangements used in connection with the delivery of life, accident and/or health insurance to the citizens of North Carolina. This information is required as part of a submission to the Life & Health Division related to an association group plan whether the “ASSOCIATION” is situated in North Carolina or in another jurisdiction. This information must be submitted for every “ASSOCIATION” arrangement in which the insurer participates.

Provide an answer for each question, even if the answer is “unknown” or “not applicable.” The answer boxes will permit an unlimited character response. For other questions, click the appropriate box for your response.

**A. GENERAL INFORMATION**

- 1) Date
  
- 2) Insurance Company Name
  
- 3) Lead Policy/Certificate Form Number
  
- 4) Association Name

**B. ASSOCIATION GOVERNANCE/ADMINISTRATION**

- 1) What is the full legal name of the master policyholder and the location at which the master policy was issued or issued for delivery?
  
- 2) Where is the ASSOCIATION incorporated and domiciled?
  
- 3) What is the ASSOCIATION's principal business address?
  
- 4) What are the names, addresses, and dates of service of all ASSOCIATION officers and Board of Director members? (*Attach additional sheet if necessary*)
  
- 5) Who, if not the ASSOCIATION's own employees, conducts the day to day business of the ASSOCIATION?

What is the business address of this entity or individual?

- 6) What are the names, addresses, and titles of all direct employees of the ASSOCIATION? (*Attach additional sheet if necessary*)

7) Does the ASSOCIATION hold an annual general membership meeting and/or other membership meetings?

YES

NO

When was the last membership meeting held and where and how many members were in attendance?

8) Explain and describe all meetings that the ASSOCIATION has held for its members during the past five years.

9) How are members notified of the meetings, what business is to be discussed at the meetings, etc.?

10) What items of business were discussed and/or voted on by the ASSOCIATION members during the past five years?

11) How are members' needs and priorities identified and addressed by ASSOCIATION?

12) Do ASSOCIATION members have any voting privileges & voting rights on any ASSOCIATION governing boards and committees?

YES

NO

13) How, and how often, does the ASSOCIATION communicate with its members?

**C. ASSOCIATION MEMBERSHIP**

1) How does the ASSOCIATION determine member eligibility in a manner consistent with its purpose, as described/defined in ASSOCIATION bylaws?

2) How many dues-paying members does ASSOCIATION currently have in North Carolina?

3) How many of those dues-paying North Carolina members are enrolled in at least one of the ASSOCIATION's insurance product offerings?

4) Are the ASSOCIATION's insurance offerings available only to ASSOCIATION members, or also to dependents?

YES

NO

5) When ASSOCIATION members enroll in its insurance offerings, how and when is your company notified, and what corresponding member records/data are maintained by your company?

#### **D. DUES/FEES/PREMIUMS**

1) Who collects the monthly premiums, dues, and other fees from the ASSOCIATION members and insureds?

- NCGS 58-56-2(5) requires a person who directly or indirectly solicits or effects coverage of, underwrites, collects charges or premiums from, or adjusts or settles claims on residents of this State or residents of another state from offices in this State, in connection with life, or health insurance (which includes disability, dental or vision coverage) or annuities must be licensed as a Third Party Administrator in North Carolina, unless it is listed as one of the exemptions in a-1 of this statute.

2) Do you require that the ASSOCIATION disclose your company's insurance premiums separately from dues and other fees?

YES

NO

If not, please explain.

3) How does your company monitor the ASSOCIATION's compliance with any such disclosure requirement?

4) Provide an itemized breakdown (in dollars) of monthly sums collected from North Carolina ASSOCIATION members and insureds, separating out the insurance premiums, due and other fees. (*Attach additional sheet if necessary*)

5) Provide an itemized breakdown (in dollars) of how all premiums, dues and other fees are distributed after being collected from North Carolina ASSOCIATION members and insureds. (*Attach additional sheet if necessary*)

**E. MARKETING**

- 1) Fully describe all marketing activities conducted with North Carolina residents by the ASSOCIATION, and/or by other marketing entities acting on behalf of the ASSOCIATION.
  
- 2) Provide the names and business addresses of all such marketing entities (agencies, marketing organizations, call centers, etc.) acting on behalf of ASSOCIATION and the insurer. (*Attach additional sheet if necessary*)
  
- 3) How is the ASSOCIATION marketing your company's insurance products to North Carolina consumers? Please provide details and specifics.
  
- 4) How do the ASSOCIATION and its marketers obtain leads?
  
- 5) How do your company and the ASSOCIATION ensure that your company's insurance products are marketed to North Carolina residents only by North Carolina licensed insurance agents?
  
- 6) Who designs/determines the ASSOCIATION's membership benefits (including insurance coverages) offered to ASSOCIATION members?

- 7) Please explain and describe all procedures and controls implemented by your company and the ASSOCIATION to prevent insurance-related compliance problems.
- 8) Describe the method used by your company to ensure that only active ASSOCIATION members receive insurance solicitation/offers. If insurance solicitation occurs at the same time as member enrollment in the ASSOCIATION, please explain why the ASSOCIATION should not be viewed simply as a vehicle to market/obtain insurance.

**F. AFFILIATIONS**

- 1) Do you allow the ASSOCIATION to “bundle” your company’s insurance product(s) with other companies’ insurance products, into the ASSOCIATION’S insurance product offering?

YES

NO

If so, please explain.

- 2) Do you allow the ASSOCIATION to market your company’s insurance products by affiliating with other third-party associations that sell ASSOCIATION’s memberships?

YES

NO

If so, please identify all such third-party associations and provide a copy of the applicable affiliation agreements.

3) Do you allow members of the ASSOCIATION to be covered under any of your company's insurance products that were actually issued to *other* associations?

YES

NO

If so, please explain.

## **G. DOCUMENTS REQUESTED**

Provide a copy of:

Check to Indicate  
Item is Attached

- 1) ASSOCIATION articles and bylaws.
- 2) ASSOCIATION's agreements with all other entities that carry out administrative responsibilities on behalf of ASSOCIATION or the insurer.
- 3) Minutes of all membership meetings held during the past-five years.
- 4) Membership meeting notices sent to members during the past-five years.
- 5) ASSOCIATION's membership application, along with the association's membership underwriting or selection criteria.
- 6) ASSOCIATION's fulfillment package sent to newly enrolled members.
- 7) ASSOCIATION marketing materials that your company has approved for use in NC.
- 8) All agreements and contracts between ASSOCIATION and its marketing entities.
- 9) All agreements and contracts between ASSOCIATION and your company.
- 10) All agreements and contracts between your company and all other entities that carry out any administrative responsibilities related to the insurance product on behalf of your company.