



North Dakota  
Insurance Department

Adam Hamm, Commissioner

**BULLETIN 2015-1**

TO: All Insurers Writing Automobile Insurance and All Insurers Writing Health Insurance

FROM: Adam Hamm, Commissioner 

DATE: October 2, 2015

SUBJECT: Coordination of Benefits

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This bulletin discusses state law concerning health insurer and no-fault auto insurer coordination of benefits. North Dakota law allows an insurer, health maintenance organization, or nonprofit health service corporation, other than a basic no-fault insurer, to coordinate all benefits it is obligated to pay for economic loss incurred as a result of accidental bodily injury with the first \$10,000 of basic no-fault benefits. See N.D.C.C. § 26.1-41-13 (3). N.D. Admin. Code § 45-08-01.2-05 states:

**Procedure to be followed by secondary plan to calculate benefits and pay a claim.** In determining the amount to be paid by the secondary plan on a claim, should the plan wish to coordinate benefits, the secondary plan shall calculate the benefits it would have paid on the claim in the absence of other health care coverage and apply that calculated amount to any allowable expense under its plan that is unpaid by the primary plan. The secondary plan may reduce its payment by the amount so that, when combined with the amount paid by the primary plan, the total benefits paid or provided by all plans for the claim do not exceed one hundred percent of the total allowable expense for that claim. In addition, the secondary plan shall credit to its plan deductible any amounts it would have credited to its deductible in the absence of other health care coverage.

To comply with this law, no-fault insurers and the secondary plan must coordinate benefits beginning from the first dollar paid on the claim regardless of whether the claim reaches the \$10,000 amount. Failure to coordinate benefits beginning with the first dollar paid on the claim violates state law and results in consumers not receiving

appropriate credit toward secondary plan expenses (including deductible and coinsurance or copayment expenses) for amounts paid up to \$10,000 by the no-fault insurer. Coordinating benefits from the first dollar paid on the claim includes, but is not limited to, the no-fault insurer notifying the secondary plan of a claim payment at the same time the no-fault insurer pays a claim, starting with the first payment of a claim benefit. Once the health insurer has been notified by the no-fault insurer of a coordination of benefits claim payment, it is the health insurer's responsibility to ensure proper crediting of a consumer's deductible and coinsurance from the first dollar of a paid claim and to ensure that the consumer is receiving the appropriate benefits of coordination.

Insurers not in compliance with the provisions of law discussed in this bulletin are required to be in compliance no later than January 1, 2016.

If you have any questions regarding this bulletin, please contact General Counsel Jeff Ubben, Legal Counsel Johnny Palsgraaf, or Product Filing Division Director Chrystal Bartuska at (701) 328-2440.