



States, Strength & Speed Aligned

FILING INFORMATION NOTICE 2010-3

DATE: December 1, 2010

FROM: Karen Z. Schutter
IIPRC Executive Director

RE: **Individual Long-Term Care Filings**

Statutory References: Articles II. (11), III(1), IV. (3)-(5), and X. (2) of the *Interstate Insurance Product Regulation Compact* as adopted by Compacting States.

Operating Procedure References: Sections 103, 109 and 110 of the *Operating Procedure for the Filing and Approval of Product Filings* and *Rule for the Self-Certification of Product Components Filed with the Interstate Insurance Product Regulation Commission*.

Uniform Standards: *Core Standards for Individual Long-Term Care Insurance Policies* (IIPRC-LTC-I-3-CORE), *Individual Long-Term Care Insurance Application Standards* (IIPRC-LTC-I-3-APP), *Standards for Forms Required to be Used with an Individual Long-Term Care Insurance Application* (IIPRC-LTC-I-3-APPFORMS), *Individual Long-Term Care Insurance Standards for the Outline of Coverage* (IIPRC-LTC-I-3-OC), *Rate Filing Standards for Individual Long-Term Care Insurance Issue Age Rate Schedules Only* (IIPRC-LTC-I-3-RATEI), *Rate Filing Standards for Individual Long-Term Care Insurance Modified Rate Schedules* (IIPRC-LTC-I-3-RATEM), *Standards for Individual Long-Term Care Insurance Advertising Material* (IIPRC-LTC-I-3-ADV), *Standards for Long-Term Care Insurance Benefit Features* (IIPRC-LTC-I-3-BEN), *Standards for Riders, Endorsements, or Amendments Used to Effect Individual Long-Term Care Insurance Policy Changes* (IIPRC-LTC-I-3-AMEND), *Standards for Individual Long-Term Care Insurance Application Change Form* (IIPRC-LTC-I-3-APPCH).

BACKGROUND:

The Interstate Insurance Product Regulation Commission ("Compact") adopted ten Uniform Standards for individual long-term care insurance on August 13, 2010 ("ILTC Uniform Standards"). The Compact promulgated the ILTC Uniform Standards on September 2, 2010 and will accept individual long-term care insurance product filings as of December 1, 2010, the effective date of the ILTC Uniform Standards.

Implementation of the ILTC Uniform Standards differs from implementation of the individual life and annuity Uniform Standards in the following ways:

- The entire suite of individual long term care product components will be available for filing with the Compact all at one time and for new product filings, all components of an individual long-term care product must be filed with the Compact;
- Mix and match between Commission-approved individual long-term care product components and state-approved individual long-term care product components is not allowed.
- Mix and match for individual long-term care riders with Commission-approved and/or state-approved individual life insurance policies and annuity contracts is permissible provided all the components associated with the individual long-term care rider are filed and approved in accordance with the ILTC Uniform Standards.
- Forms required to be used with the application may be submitted as a Self-Certified Product Filing.
- Advertising, initial rates and rate revisions for individual long-term care insurance products filed with the Compact must be submitted for review and prior approval in accordance with the ILTC Uniform Standards.
- One Compacting State has opted out of the ILTC Uniform Standards by legislation and one Compacting State has commenced the process to opt out of the ILTC Uniform Standards by regulation.
- As provided in the ILTC Uniform Standards, some Compacting States have notified the Compact that modified rate schedules are not permitted and cannot be filed through the Compact for approval in their respective state.
- As provided in the ILTC Uniform Standards, the Compact shall maintain a chart with state-specific offer and issue requirements for daily minimum benefit, benefit periods, and elimination periods to facilitate variability compliance.

This Filing Information Notice outlines the process and procedures associated with the submission of individual long-term care insurance product filings.

FILING PROCEDURES:

A. Submission of Individual Long-Term Care Insurance Product Filings

1. When preparing product submissions, filers are encouraged to closely review the ILTC Uniform Standards available on the Compact's Rulemaking Record of its website and to utilize the ILTC Reviewer Checklists available on the Compact's Insurance Company Resources web page.
2. Filers should also review additional reference materials as follows: Creating a Filing for the Interstate Insurance Product Regulation Commission (IIPRC) on the Insurance Company Resources web page; applicable Submission Requirements in SERFF; applicable Filing Instructions in SERFF; applicable Operating Procedures on the Rulemaking Record.
3. When choosing the applicable filing type, filers shall select the correct filing type based on the type of policy forms and the type of initial rates.

- a. For a new product, a product filing submission shall include the application, policy forms, any applicable benefit features, outline of coverage, and initial rates as well as forms required to be used with an application which may be filed on a self-certified basis.
- b. If a new product filing does not include modified rate schedules, the filer shall utilize the applicable filing type for **Policy Forms/Applications/Benefit Feature/Rates -- Issue Rates Only** which will be available for all Compacting States that have not opted out of the ILTC Uniform Standards.
- c. If a new product filing includes both issue age and modified rate schedules, the filer shall utilize the applicable filing type for **Policy Forms/Applications/Benefit Features/Rates -- Issue and Modified** which will only be available for Compacting States that permit modified rate schedules. In addition, if the associated policy form is also filed for use in Compacting States that permit only issue age rate schedules, the filer shall make a separate filing for those Compacting States and shall utilize the applicable filing type for **Policy Forms/Applications/Benefit Feature/Rates -- Issue Rates Only**.
- d. All advertising material associated with an individual long-term care product filing shall be in a separate filing submission using the applicable filing type for **Advertising Material**.
- e. Filers wishing to submit a Self-Certified Filing for the forms required to be used with an individual long-term care insurance application as permitted under the ILTC Uniform Standards and in accordance with the *Operating Procedure for the Self-Certification of Product Components Filed with the Interstate Insurance Product Regulation Commission ("Self-Certification Rule")* shall submit a separate filing submission using the applicable filing type for **Policy Forms-Self Certification**.
- f. Filers wishing to submit a separate application or riders, endorsements or amendments with additional benefit features to be used with an individual long-term care product filing previously approved by the Compact shall utilize the applicable filing type of **Application** or **Application/Benefit Feature** or **Benefit Feature**.

B. Advertising Filings

1. For each individual long-term care product filing, there shall be a separate filing which contains all the advertising material to be used or associated with the product filing.
2. If a filer wishes to submit new or updated advertising material, it shall request the advertising filing associated with the particular product filing be reopened to add the new material.
3. If a filer makes a new advertising filing when it should have requested an existing advertising filing be reopened to file new or updated advertising material, the Compact will instruct the filer to withdraw the new filing and update the existing filing which could result in the loss of or the double payment of applicable filing fees.

4. If advertising material will be used with more than one Compact-approved individual long-term care product filing, the filer shall file the advertising material in a separate advertising filing associated with each applicable individual long-term care product filing.
5. If advertising material will be used with both Compact-approved individual long-term care product filings and with state-approved individual long-term care product filings, submission of the advertising material with the Compact does not satisfy advertising filing requirements associated with the state-approved individual long-term care product filings.

C. Self-Certified Filings

1. Standards for Forms Required To Be Used With An Individual Long-Term Care Insurance Application allow the following forms to be filed as Self-Certified Filings:
 - a. Long-Term Care Insurance Personal Worksheet;
 - b. *Things You Should Know Before You Buy Long-Term Care Insurance*;
 - c. Potential Rate Increase Disclosure Forms;
 - d. Notice to Applicant Regarding Replacement of Individual Accident and Sickness or Long-Term Care Insurance ("Replacement Notice");
 - e. Health Insurance Portability and Accountability Act of 1996 (HIPAA) Medical Authorization ("HIPPA Medical Authorization").
2. Filers shall comply with the requirements in the *Self-Certification Rule* including the submission of the Officer Compliance Certification.
3. If the forms required to be used with an individual long-term care insurance application are submitted with a product filing that includes the policy forms, application, benefit features, and initial rates, such forms will be subject to prior review and approval.

D. Initial Rate Schedules and Related Information and Supporting Documentation

1. For individual long-term care insurance product filings, the Compact will utilize the Rate/Rule Schedule Tab ("Rate Tab") in SERFF. The information in the Rate Tab can be updated post-submission.
2. The following information shall be submitted on the Rate Tab:
 - a. All initial rate schedules;
 - b. The Actuarial Memorandum (NOTE: This submission requirement differs from the submission requirement for individual life and annuity product filings and the Actuarial Memorandum for individual long-term care insurance product filings shall not be filed under the Supporting Documentation Tab but rather the Rate Tab).
 - c. Supporting information for rate assumptions. The Compact provides a Microsoft Excel-formatted file template ("Rate Assumptions Template") as a sample of the type of information and level of detail for submission of rate information required under the ILTC Uniform Standards. The Rate Assumptions Template is available on the Insurance Company Resources webpage under Reference Materials.
 - d. Other pertinent or required rate information.

3. Compacting States that do not permit modified rate schedules in their state will not be available for selection in SERFF when utilizing the appropriate filing type that permits issue age and modified rate schedules.
 - a. A filer submitting both issue age and modified rate schedules will have to make another separate filing with issue age-only rate schedules for those Compacting States that do not accept modified rate schedules.
 - b. If the filer is making two duplicate filings that are exactly the same in all respects except one product filing is submitted under the filing type that permits issue age and modified rate schedules and the other is under the filing type for issue age only, the filer only has to submit one IIPRC Filing Fee for both product filings but still must submit state filing fees as applicable for each product filing.

E. Mix and Match

1. As provided in the ILTC Uniform Standards, filers shall not submit individual long-term care insurance product components (i.e., applications, policy forms, outline of coverage, benefit features, rates, advertisements, etc.) for use or "mix and match" with state-approved individual long-term care insurance product components.
2. When preparing an individual long-term care insurance product filing, filers will be able to access the Statement of Intent Tab within SERFF (which must be completed for mix and match filings). Other than as described in the following paragraph, the Statement of Intent Tab must not be completed and the filing must not indicate "mix and match" or an objection will be issued.
3. As provided in the ILTC Uniform Standards, individual long-term care insurance riders submitted to the Compact and that fully comply with the ILTC Uniform Standards can be submitted for use or "mix and match" with state-approved individual life or annuity product components. The filer shall indicate the filing is being submitted for "mix and match" and shall fully complete the Statement of Intent Tab. *See Filing Information Notice, 2009-4, Mix and Match Filings* for more information on the mix and match process.

F. State-Specific Information

1. The Compact shall maintain a chart of state-specific information provided to the Compact by Compacting States on its Insurance Company Resources web page. This chart will show the following information:
 - a. Compacting States that have opted out of the ILTC Uniform Standards by legislation or regulation. Hawaii has opted out by legislation (Act 116, Effective July 1, 2010, Section 431:30-112). Indiana has provided a notice of election to opt out by regulation and was granted a 90-day stay of the effectiveness of the ILTC Uniform Standards while pursuing its opt out. *See Filing Information Notice 2009-09, State Opt-Out Filing Process* for more information on filing procedures when a Compacting State has opted out of a Uniform Standard.
 - b. Compacting States that will and will not permit modified rate schedules to be approved for their respective state.
 - c. State-specific offer and issue requirements, if any, for daily minimum benefit for non-partnership policies.

- d. State-specific offer and issue requirements, if any, for maximum elimination periods for non-partnership policies.
 - e. State-specific offer and issue requirements, if any, for minimum benefit periods for non-partnership policies.
2. In order to demonstrate the ranges of daily minimum benefits, maximum elimination periods, and minimum benefit periods that will be offered and/or issued in the respective Compacting States, the Statement of Variability and applicable section(s) should list a range for these items that will encompass any applicable state-specific minimum or maximum. The Statement of Variability and applicable section(s) shall not separately list what is being offered or issued for each specific state.
 3. The filer may reference the state-specific chart in carrying out its responsibility to offer and issue Compact-approved individual long-term care insurance products based on state-specific requirements, if any, regarding daily minimum benefits, maximum elimination periods and minimum benefit periods.

G. Combination Product Filings

1. Currently, the Compact cannot accept a combination product filing where the filing includes a life or annuity policy form with long-term care insurance provisions or a life or annuity policy form with a rider for individual long-term care insurance.
2. Currently, a filer can make a separate filing that includes a long-term care insurance rider which must fully comply with the ILTC Uniform Standards including having an initial rate filing.
3. Currently, a filer can indicate in the General Information section of its product filing in SERFF that it intends to use the individual long-term care insurance rider with a Compact-approved individual life product filing or individual annuity product filing provided the filer identifies the SERFF Tracking Number and the applicable form numbers. *See Section E for mix and match of state-approved life or annuity products with Compact-approved individual long-term care insurance riders.*
4. Currently, the Management Committee has published for notice and comments proposed amendments to the *Operating Procedure for the Filing and Approval of Product Filings ("Product Filing Rule")* to allow a product filing to include more than one Product to be used in combination provided the individual life or annuity component complies with the applicable individual life or annuity uniform standards and the individual long-term care component complies with the ILTC Uniform Standards. The Management Committee and Commission are expected to consider these amendments for adoption in early 2011. If these amendments are adopted, this Section of the Filing Information Notice will be revised accordingly.

H. State Action Required for Partnership Policies

1. Based on the ILTC Uniform Standards, Compact approval of an individual long-term care insurance product filing shall not be deemed as approval to use or provide any component of the product filing pursuant to any federal or state Individual Long-Term Care Insurance Partnership Program ("Partnership"). Additional action for each

applicable Compacting State may be required before an insurer may use a Compact-approved policy or other product component for Partnership.

2. Filers are advised to check the applicable requirements of each Compacting State for how to file for approval or recognition of a Compact-approved individual long-term care insurance product filing for Partnership. The SERFF Tracking Number may be referenced as each Compacting State has access to all product filings submitted to the Compact for approval in their respective state.

I. Annual Rate Reporting Information

On or before April 1, 2011, this Filing Information Notice will be updated with specific information regarding the process and procedures for submitting annual information regarding the initial rates associated with an individual long-term care product that has been approved by the Compact.

J. Rate Revision Filings

On or before December 31, 2011, this Filing Information Notice will be updated with specific information regarding the process and procedures for submitting Rate Revision Filings.

APPLICABLE IIPRC FORMS: **Rating Assumptions Template.**

EFFECTIVE DATE: **December 1, 2010**

CONTACT INFORMATION:

Questions regarding this Notice should be directed to:
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