



FILING INFORMATION NOTICE ~~2010-3~~2013-2
This Filing Information Notice Updates and Replaces 2010-3

DATE: Updated: February 5, 2013
Originally Issued: 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, 104, 109 and 111 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 began will-accepting 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 ~~are 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 are 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 ~~are recommended to 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.
- Three Compacting States have opted out of the ILTC Uniform Standards by legislation (Hawaii, Nevada and New Jersey) and one Compacting State has opted out of the ILTC Uniform Standards by regulation (Indiana).
- 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 ~~both available on the Compact's Rulemaking Record of its website~~ ~~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 three separate filings: 1) a product filing with the application, policy forms, any applicable benefit features, outline of coverage, and initial rates and supporting documentation; 2) a product filing with the ~~as well as~~ forms required to be used with the application which may be filed on a self-certified basis; 3) a product filing with the advertising materials associated with the new product filing.
- b. If a new product filing does not include modified rate schedules, the filer shall utilize the applicable filing type for **Policy Forms/Applications/Riders and Endorsements~~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/Riders and Endorsements~~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/Riders and Endorsements~~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 should wishing to submit a Self-Certified Filing for the forms required to be used with the 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")* the filer shall utilize 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/Riders and Endorsements~~Benefit-Feature~~** or **Riders and Endorsements~~Benefit-Feature~~**.

B. Advertising Filings

1. For each individual long-term care product filing, there shall be one separate, unique 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. The Compact and state filing fees must be submitted with the new or updated advertising 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. Filers are encouraged to submit the forms required under the Standards for Forms Required To Be Used With An Individual Long-Term Care Insurance Application ~~allow the following forms to be filed~~ as a separate 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 (HIPPA) 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. Actuarial certification regarding nonforfeiture and contingent nonforfeiture benefits.
 - e. Actuarial certification regarding inflation protection benefit.
 - f. 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). New Jersey and Nevada opted out of the ILTC Uniform Standards in their enabling Compact legislation. Indiana ~~has provided a notice of election to opt out by regulation and was granted a 90-day stay of the effectiveness of~~ opted out of the ILTC Uniform Standards by regulation 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 (Modified rate schedules not permitted to be filed for Colorado, Illinois, Maryland, Oklahoma, Oregon and Washington).
 - 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. Filers can submit ~~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. Filers must select or file under the applicable Long-Term Care Type of Insurance (LTC TOI), such as LTC03I.001, rather than the applicable Life or Annuity TOI. ~~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. The filer must state in the Filing Description section of the General Information tab and the Additional Benefit field in the Filing Wizard that this filing contains a Life or Annuity contract with individual long-term care insurance provisions or a rider for individual long-term care insurance and other pertinent information about the life or annuity product features. ~~Currently,~~
4. If a filer is submitting two separate filings (one for the life or annuity forms and one for the long-term care forms), the filer ~~must~~ indicate in the General Information section of ~~both its~~ product filings in SERFF that it intends to use the ~~individual long-term care insurance rider with a~~ Compact-approved forms in another filing and provide 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.
3. To facilitate compliance with state-specific Partnership requirements, the ILTC Uniform Standards permit variability for Partnership language that may be required by a state. This language is considered plan information and can be bracketed or otherwise denoted as variable. Filers can submit a Statement of Variability discussing the conditions under which the variable item may change and the alternative content to which the variable item may change, which in the case of Partnership plans is intended to facilitate the Member States' ability to ascertain compliance with Partnership requirements.

I. Annual Rate Reporting Information

1. Filers are required to file an annual certification in accordance with the applicable Rate Filing Standards for Individual Long-Term Care. This certification must be filed on or before December 31st of each year starting in the first full year following the year in which the applicable rate schedule was approved by the Interstate Insurance Product Regulation Commission.
~~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.~~
2. The annual submission consists of an actuarial certification, dated and signed by a member of the American Academy of Actuaries. The certification should clearly reference if it applies to rate schedules that are currently marketed or that are no longer marketed.
3. Although only required for submission every three years, an actuarial memorandum shall be prepared annually to support the annual certification.
4. The annual certification must be submitted annually no later than December 31st of each year starting in the first full year following the year in which the applicable initial rate schedule was approved. Every 3rd year, an actuarial memorandum supporting the annual certification should also be included.
5. The annual certification shall be included in the Compact-approved individual long-term care product filing containing the initial rate schedule and filed under the Rate Schedule tab. The filer may send a Note to Reviewer to reopen the product filing for the purpose of attaching the annual certification.
6. When the filing has been reopened the annual certification must be attached to the Rate/Rule Schedule and have a name that includes the year, 'XXXX Annual Certification' which will assist in tracking this annual requirement. The Compact annual certification fee must be submitted with the annual certification.

J. Rate Revision Filings

1. Filers submitting a rate schedule(s) for new business issue only shall send a Note to Reviewer to reopen the product filing with the original rates for the purpose of submitting a new rate schedule and supporting information. Filers shall pay the applicable Compact and state filing fees when submitting the new schedule.
2. Filers submitting rate revisions for approved rate schedules applicable to in-force policies shall make a new separate product filing submission and include a reference to the original product filing in the Filing Description. Filers shall pay the applicable Compact and state filing fees when submitting the new rate filing. ~~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 IPRC FORMS:

Rating Assumptions Template:- http://www.insurancecompact.org/industry_resources.htm

Certification for Self-Certification Compliance:

http://www.insurancecompact.org/rulemaking_records/100222_self_certification.pdf

EFFECTIVE DATE: Filing Information Notice 2013-2 updated and supersedes Filing Information Notice 2010-3

December 1, 2010IMMEDIATELY

CONTACT INFORMATION:

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