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IIPRC-LTC-I-3-BEN

STANDARDS FOR LONG-TERM CARE INSURANCE BENEFIT FEATURES

1. Date Adopted: August 13, 2010
2. Purpose and Scope: The Standards for Individual Long-Term Care Insurance Benefit Features apply to forms that include long-term care insurance benefit features that are built into an individual long-term care, life or disability insurance policy, or an individual annuity contract; or added to an individual long-term care, life or disability insurance policy, or an individual annuity contract by rider, endorsement or amendment.
3. Rules Repealed, Amended or Suspended by the Rule: None.
4. Statutory Authority: Among the IIPRC's primary purposes and powers is to establish reasonable uniform standards for the insurance products covered in the Interstate Insurance Product Regulation Compact ("Compact"), specifically pursuant to Article I §2, Article IV §2 and Article VII §1 of the Compact, as enacted into law by each IIPRC member state.
5. Required Findings: These standards are not available for use in combination with State Product Components in accordance with the Operating Procedure for the Filing and Approval of Product Filings. These standards are not available to be filed using the Rule for the Self-Certification of Product Components Filed with the Interstate Insurance Product Regulation Commission.
6. Effective Date: December 1, 2010

STANDARDS FOR INDIVIDUAL LONG-TERM CARE INSURANCE BENEFIT FEATURES

Scope: These standards apply to forms that include long-term care insurance benefit features as part of an individual long-term care insurance plan.

Mix and Match: These standards are not available to be used in combination with State Product Components as described in Section 110(b) of the Operating Procedure for the Filing and Approval of Product Filings.

Self-Certification: These standards are not available to be filed using the Rule for the Self-Certification of Product Components Filed with the Interstate Insurance Product Regulation Commission.

As used in these standards, the term “form” shall mean:

1. Long-term care insurance benefit features that are built into an individual long-term care, life or disability insurance policy, or an individual annuity contract; or
2. Long-term care insurance benefit features that are added by rider, endorsement or amendment to an individual long-term care, life or disability insurance policy, or an individual annuity contract.

Regardless of how issued, the long-term care insurance benefit features that are included as part of the individual long-term care insurance plan shall be subject to the requirements specified in these standards.

For non-long-term care insurance policies that include long-term care insurance benefit features, these standards shall only apply to the long-term care benefit features.

§ 1 ADDITIONAL SUBMISSION REQUIREMENTS

A. GENERAL

The following filing requirements shall apply to forms that are riders, endorsements or amendments:

- (1) All forms filed for approval shall be included with the filing. Changes to a previously approved form shall be highlighted. Specifications pages shall be provided for all uses of the form. These shall be completed with hypothetical data that is realistic and consistent with the other contents of the form or the policy and any required actuarial memorandum. At the option of the company, the specification page of the policy may include the specifications of the form.
- (2) If a filing is being submitted on behalf of a company, include a letter or other document authorizing the firm to file on behalf of the company.
- (3) If the filing contains an insert page, include an explanation of when the insert page will be used.
- (4) Include a certification signed by a company officer that the form has a minimum Flesch Score of 50. See Appendix A for the Flesch methodology.
- (5) Include a description of any innovative or unique features of the form.

- (6) Include a statement whether the form will be made a part of the policy at issue or is intended for use after the date of issue of a policy, or both.
- (7) If a premium rate is associated with the form, complete the initial rate filing submission requirements as stated in the applicable Rate Filing Standards for Individual Long-Term Care Insurance.

B. VARIABILITY OF INFORMATION

The following requirements shall apply to all forms:

- (1) If a form includes variable items, the variable items shall be bracketed or otherwise marked to denote variability. Variability may be used for the various benefit variables, such as the types of benefits available; benefit amounts; benefit maximums; benefit durations; benefit eligibility requirements; elimination or waiting period durations and requirements; deductibles; or other terms or conditions.
- (2) The submission shall include the Statement of Variability. The submission shall also include a certification that any change or modification to a variable item shall be administered in accordance with the requirements in the Variability of Information section, including any requirements for prior approval of a change or modification.

§ 2 REQUIREMENTS FOR BENEFIT FEATURES

A. GENERAL

The following filing requirements shall apply to forms that are riders, endorsements or amendments:

- (1) The full corporate name of the company shall appear on a form.
- (2) At least one signature of a company officer shall appear on a form if the form is added after the date of issue of a policy.
- (3) A form shall contain a brief description that shall appear in prominent print on the first page of the form and indicate the specific type of coverage provided. “Prominent print” means, for example, all capital letters, contrasting color, underlined or otherwise differentiated from the other type on the form.
- (4) A form shall contain a statement to the effect that it is made a part of the policy, and that the form provisions apply in lieu of any policy provisions to the contrary.
- (5) A form shall contain the following information, when applicable, on the specifications page and the respective benefit provisions shall direct the owner to the specifications page:
 - (a) The name and premium class for each insured;
 - (b) The benefit amount;

- (c) Any applicable separate premium charges;
- (d) An effective date of the form; and
- (e) The duration of coverage, including any initial or final expiry date, or any expiry age.

These items may be considered as variable items and marked to denote variability.

- (6) A form that requires a separate premium shall describe any applicable termination provision.
- (7) A form identification number shall appear at the bottom of the form in the lower left hand corner of the document. The form number shall be adequate to distinguish the form from all others used by the company. The form number shall include a prefix of ICCxx (where xx represents the appropriate year the form was submitted for filing) to indicate that it has been approved by the Interstate Insurance Product Regulation Commission.
- (8) Any policy pages or provisions referenced in the form shall be included for review.

B. SPECIFIC

- (1) All benefit provisions shall comply with the standards already specified for an individual long-term care insurance policy and shall also specifically describe the benefit feature, including the information below. Benefit provisions may be included in a form that is part of an individual long-term care insurance plan. Terms required or referenced in a benefit feature may be defined in the benefit feature or may be defined elsewhere in the policy.
- (2) All benefit provisions shall describe:
 - (a) The loss for which a benefit will be provided, including the care, treatment, services, supplies and expenses that are covered, as applicable;
 - (b) Any unique or additional benefit eligibility requirements if different from the underlying policy requirements;
 - (c) When the benefit takes effect, if different from the underlying policy requirements;
 - (d) Any applicable elimination period/waiting periods or deductibles if different from the underlying policy requirements;
 - (e) The duration and amount of the benefit to be provided;
 - (f) When benefits are payable and when benefits are not payable;
 - (g) Any additional exclusions, limitations or conditions if different from the underlying policy requirements;

- (h) Any unique interaction of the benefit provision with other policy provisions, as applicable; and
 - (i) When the benefit ends, if different from the underlying policy requirements.
- (3) In the event multiple insureds are covered under the policy, the benefit provision shall describe what benefits are available to each insured, how benefits are accessed, and all available rights and responsibilities under the policy.