



South Carolina Department of Insurance

MARK SANFORD
Governor

SCOTT H. RICHARDSON
Director of Insurance

Interstate Insurance Product Regulation Commission
444 North Capital Street, NW
Hall of the States Suite 701
Washington, DC 20001

January 28, 2010

Re: Core Standards for Individual LTC Insurance Policies – Requirement to Offer Optional Benefit for Home Health Care or Community Care Benefits

To the Members of the IIPRC Management Committee:

South Carolina has reviewed the Core Standards for Individual LTC Insurance Policies, as adopted by the IIPRC Product Standards Committee on January 7, 2010 and recommended to the IIPRC Management Committee on January 11, 2010. In the process of our review of South Carolina's statutes and the aforementioned Standard, we have noticed a conflict.

South Carolina Statute SC38-72-60(N) reads as follows:

All insurers issuing long term care insurance policies must offer, at time of application, an optional benefit which provides that when an insured meets the requirements under the policy that care in a nursing home or community residential care facility is necessary, the insured shall have the option of receiving necessary care in the home or community, with daily benefits at the same level that would have been paid for care in a nursing home or community residential care facility. This optional coverage may be provided by rider to the policy or included as part of the policy....

SC38-72-60(N) states the optional benefit for care in the home or community **must be** offered at time of application. According to the IIPRC Core Standard:

E. BENEFITS

(3) **Benefits for Home Health Care or Community Care.** A policy that provides benefits for home health care or community care services shall comply with the requirements of § 30 of these standards.



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Thus while it is a requirement in South Carolina for insurers to offer this optional benefit, it is not under the IIPRC Core Standard. This optional benefit is important to our insurance consumers. Unless the Standard requires insurers to offer the optional benefit required by SC38-72-60(N), South Carolina will have no other option but to take the necessary steps to opt out of said standard.

Regards,

A handwritten signature in cursive script that reads "Andrew M Dvorine".

Andrew M. Dvorine, ASA, MAAA
Life Actuary
South Carolina Department of Insurance