



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor
Sean Dilweg, Commissioner

Wisconsin.gov

June 25, 2010

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KAREN SCHUTTER
IIPRC EXECUTIVE DIRECTOR
444 N CAPITAL ST NW
HALL OF THE STATES, STE 701
WASHINGTON DC 20210

Re: Long Term Care Insurance Product standards

Dear Ms. Schutter:

Thank you for the opportunity to present our concerns to the IIPRC Product Standards Committee. We have reviewed the long term care product standards against the Wisconsin standards and have issues about two items and, also have proposals to address these two items.

1) Wisconsin has a minimum daily benefit standard of \$60 per day:

3.46(4) GENERAL FORM REQUIREMENTS FOR LONG-TERM CARE, NURSING HOME AND HOME HEALTH CARE POLICIES AND LIFE INSURANCE-LONG-TERM CARE COVERAGE. Forms for a long-term care policy, life insurance-long-term care coverage and certificates shall:

(b) Establish fixed daily benefit limits only if the highest limit is not less than \$60 per day. This fixed daily benefit applies to the total long-term care insurance in force for any one insured.

We believe that this requirement could be addressed in the statement of variability. Insurers would indicate that the daily benefit could vary from \$60 - \$XXX in the state of Wisconsin.

2) The second item is that Wisconsin has a requirement that insurers offer an elimination period of 180 days or less in those instances where they offer coverage with an elimination period of greater than 180 days:

Ins 3.46(12)

(a) No insurer may advertise, market or offer a long-term care policy or certificate, or life insurance-long-term care coverage with an elimination period exceeding 180 days unless the insurer has a form approved under s. 631.20, Stats., providing the identical coverage, but with an elimination period of 180 days or less.

(b) No insurer may file a form for a long-term care policy or certificate or life insurance-long-term care coverage containing an elimination period in excess of 180 days, unless the application form contains a clear and conspicuous disclosure of the offer required under par. (c).

(c) No insurer or intermediary may contact any person to solicit the sale of a long-term care policy or certificate or life insurance-long-term care coverage with an elimination period in excess of 180 days unless, at the time of the contact, the intermediary or insurer makes a clear and conspicuous offer to the person to provide the policy, certificate or coverage with an elimination period of 180 days or less.

(d) No insurer or intermediary may accept an application for a long-term care policy or certificate, or life insurance-long-term care coverage, unless it is signed by the applicant and has indicated acceptance or rejection of the offer required under par. (c) on the application.

We propose that insurers would be required to use a Wisconsin-approved addendum to the IIPRC long term care application with the required offer of an elimination period of 180 days or less for Wisconsin applicants. We further suggest that the statement of variability could address the required elimination period offer for Wisconsin applicants.

We look forward to discussing these two items on the June 29, 2010 Product Standards call.

Sincerely,

Guenther Ruch
Division Administrator