

DATE: July 19, 2010
TO: IIPRC Product Standards Committee (PSC)
FROM: Industry Advisory Committee
SUBJECT: LTC Outline of Coverage Draft Dated July 13, 2010

Individual vs. Group Coverage Issues

The proposed draft is not consistent between the variables applicable to each type of coverage – sometimes policy, group policy and certificate references are bracketed, and sometimes there is just an “or” between them. For example, in item 1 on page 3, the last variable handles group coverage but there is no parallel variable for individual coverage. We were not able to do a thorough search of the document, but would be willing to assist regarding this issue.

Page 1, Item A. COVER PAGE OR FIRST PAGE, Item (1)

For consistency with Appendix A, we suggest changing the first sentence after “company” to add: “, and telephone number”.

Page 1, Item B. OUTLINE OF COVERAGE, Item (2)

There is no Kansas statutory or regulatory requirement for this proposed change, so we question the need for it. No other state requires this, and the NAIC Model merely requires that the outline be delivered – there is no requirement that an agent/producer certify as to how it was completed.

We oppose the proposed change.

Page 3, Appendix A, Top of Page, 6th Variable

To accommodate the use of the outline of coverage with an application, we suggest adding “Form Number” as a possible variable since no policy or certificate number would have been assigned at the time of application. The revised variable would read:

“[Form Number, Policy Number or Group Master Policy and Certificate Number] “

Page 5, Item 8

Since the LTC policy standards are proposing to delete the words “or medically necessary” from the definition of “Long term care insurance” on page 2 of the policy, we suggest that for consistency you do the same in this item.

Page 6, Item 13. PREMIUM, Item (b)

What different outcome is expected by changing from "indicate separately" to "indicate the portion"? Is the language expecting an actual dollar rather than % increase)?

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