



## **FILING INFORMATION NOTICE 2017-2**

*This Filing Information Notice Updates and Replaces 2013-2, which replaced 2010-3.*

DATE: Updated: October 10, 2017  
Updated: February 5, 2013  
Originally Issued: December 1, 2010

FROM: Karen Z. Schutter  
Executive Director

RE: **Individual Long-Term Care Filings**

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**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-RATED), *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 (“ILTC”) on August 13, 2010, and began accepting ILTC product filings as of December 1, 2010, the effective date of the ILTC Uniform Standards. Beginning in 2015, the Compact performed a Five-Year Review of the ILTC Uniform Standards, resulting in amendments with an October 10, 2017, effective date.

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 ILTC product components is available for filing with the Compact all at one time and for new product filings, all components of an ILTC product must be filed with the Compact;
- Mix and Match between Commission-approved individual long-term care product components and state-approved ILTC product components is not allowed.
- Mix and Match for ILTC riders with state-approved individual life insurance policies and annuity contracts is permissible provided all the ILTC components are filed and approved in accordance with the ILTC Uniform Standards.
- Forms required to be used with the application are recommended to be submitted as a Self-Certified product filing.
- Advertising forms, application forms, product forms, and initial rate schedules for ILTC products filed with the Compact must be submitted for review and prior approval in accordance with the ILTC Uniform Standards.
- Six Compacting States have opted out of the ILTC Uniform Standards (Arizona, Connecticut, Hawaii, Indiana, Montana and New Jersey).
- As provided in *Rate Filing Standards for Individual Long-Term Care Insurance Modified Rate Schedules* (IIPRC-LTC-I-3-RATEM), 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. A list of the specific states may be found on the Record of the Insurance Compact’s website.
- 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 ILTC product filings. It is organized into three main sections based on key aspects of ILTC product submissions.

## **FILING PROCEDURES:**

### **A. PREPARING ILTC PRODUCT FILINGS**

1. When preparing product submissions, filers are encouraged to closely review the ILTC Uniform Standards and to utilize the ILTC Checklists, both available on the Compact's online Record. Redlined versions of the ILTC Uniform Standards showing the 2017 Five-Year Review amendments may be found under the Standard History for each of the ILTC Uniform Standards on the Record; drill down to “Amendments to Uniform Standards.”

The screenshot shows a web interface for 'Standard History' as of 'Oct. 10, 2017'. It features a tree view with two expandable items: 'Amendments to Uniform Standards' (highlighted in yellow) and '5-Year Review Amendments Adopted June 2017' (highlighted in blue).

Redlined Version of Adopted Standard: [Core Standards for Individual Long-Term Care Insurance Policies](#)

2. Filers should also review additional reference materials as follows.
  - On the Insurer Resources web page:
    - Creating a Compact Filing Step-by-Step Directions
    - LTC State Specific Information (Modified Rate Schedule Permitted and Daily Minimum Requirements)
    - Rate Assumptions Template
    - Archived weekly tips in the Long-Term Care Product Line category
    - Pre-filing Communication Form
  - On the Record web page:
    - ILTC Uniform Standards
    - ILTC Checklists
    - Applicable Operating Procedures
  - Within SERFF:
    - Applicable Submission Requirements in SERFF
    - Applicable Filing Instructions in SERFF

## **B. SUBMITTING NEW ILTC FORM FILINGS**

1. **Product Components:** For a new product, a product filing submission shall include three separate filings that shall be associated using the View Associated Filings feature:
  - a. A product filing with the application, policy forms, any applicable benefit features, outline of coverage, and initial rates and supporting documentation;
  - b. A product filing with the forms required to be used with the application filed on a self-certified basis; and
  - c. A product filing with the advertising materials associated with the new product filing.
2. **Type of Insurance (TOI):** Any filing subject to the ILTC Uniform Standards in whole or part shall select the applicable LTC Type of Insurance (LTC TOI). There are no exceptions to this requirement.
  - a. When a filing submission is subject to ILTC Uniform Standards and life insurance or annuity Uniform Standards, **the LTC TOI must be used**. The LTC TOI is used to ensure that only states that have not opted out of the ILTC Uniform Standards are included in the submission.
  - b. If a filer makes a filing submission subject to ILTC Uniform Standards and does not use the LTC TOI, the filer will be instructed to withdraw the filing and re-submit using an LTC TOI which could result in the loss of or the double payment of applicable filing fees.
3. **Filing Type:** 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 included in the submission.

- a. 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/Rates – Issue Rates Only**, which will be available for all Compacting States that have not opted out of the ILTC Uniform Standards.
- b. 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/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/Rates – Issue Rates Only**.
- c. 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**.
- d. Filers should 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**.
- e. Filers wishing to submit a separate application or riders, endorsements or amendments with additional benefit features to be used with an ILTC product filing previously approved by the Compact shall utilize the applicable filing type of **Application** or **Application/Riders and Endorsements** or **Riders and Endorsements**.
- f. Filers wishing to submit a new product filing with an ILTC rider for use with individual life insurance policies or annuity contract shall utilize the applicable filing type as indicated in a & b above.

#### 4. Self-Certified Filings

- a. 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* in a filing separate from the application and other product forms filed using the **Policy Forms-Self Certification** filing type:
  - i. Long-Term Care Insurance Personal Worksheet;
  - ii. *Things You Should Know Before You Buy Long-Term Care Insurance*;
  - iii. Potential Rate Increase Disclosure Forms;
  - iv. Notice to Applicant Regarding Replacement of Individual Accident and Sickness or Long-Term Care Insurance ("Replacement Notice");

- v. Health Insurance Portability and Accountability Act of 1996 (HIPAA) Medical Authorization ("HIPAA Medical Authorization").
- b. Filers shall comply with the requirements in the *Self-Certification Rule* including the submission of the Officer Compliance Certification.

**C. SUBMITTING INITIAL ILTC RATE SCHEDULES AND RELATED INFORMATION**

1. For ILTC product filings, the Compact will utilize the **Rate/Rule Schedule tab** in SERFF. **Nothing related to rates or actuarial review should be attached to the Supporting Documentation tab.** The ILTC Rates submission requirement is satisfied when the actuarial memorandum, actuarial certifications, rate schedules, and all supporting information are attached to the **Rate/Rule Schedule tab**.
2. The following information shall be submitted **on the Rate/Rule Schedule tab**:
  - a. All initial rate schedules;
  - b. The Actuarial Memorandum;
  - 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 Insurer Resources webpage.
  - d. Actuarial certification regarding nonforfeiture and contingent nonforfeiture benefits.
  - e. Actuarial certification regarding inflation protection benefit.
  - f. Other pertinent or required rate information.
3. A Compacting State that does not permit modified rate schedules will not be available for selection in SERFF when utilizing the appropriate filing type **Policy Forms/Applications/Riders and Endorsements/Rates – Issue and Modified**.
  - a. A filer submitting both issue age and modified rate schedules must make a separate filing with issue age rate schedules only using the filing type **Policy Forms/Applications/Riders and Endorsements/Rates – Issue Rates Only** to file the product for use in a Compacting State that does 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 rate schedules only, the Compact filing fee for the duplicate issue age only rate schedule filing will be waived. State filing fees are due for each product filing.

4. The Issue Age Rate Standards will apply to ILTC features that accelerate all or part of a life insurance death benefit or annuity account value as long as the ILTC payment does not exceed \$1 for each \$1 in reduction in the life insurance or annuity benefit (“\$-for-\$ products”). Prior to October 10, 2017, these products were exempt from the ILTC rate standards. Specific requirements were incorporated into the Issue Age Rate Standards and the Modified Rate Standards point back to the Issue Age Rate Standards.

#### **D. MIX AND MATCH**

1. As provided in the ILTC Uniform Standards, filers shall not submit ILTC 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 ILTC 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 shall not be completed and the filing shall not indicate "Mix and Match" or an objection will be issued.
3. As provided in the ILTC Uniform Standards, ILTC 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.

#### **E. STATE-SPECIFIC INFORMATION**

1. The Compact shall maintain a chart of state-specific information provided to the Compact by Compacting States on its Insurer 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. *See Filing Information Notice 2009-3, 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’ position on modified rate schedules. (Modified rate schedules not permitted to be filed for Arkansas, 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 encompasses 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 on the Statement of Variability to carry out its responsibility to offer and issue Compact-approved ILTC products based on state-specific requirements, if any, regarding daily minimum benefits, maximum elimination periods and minimum benefit periods.

## **F. COMBINATION PRODUCT FILINGS**

1. Filers may submit a combination product filing where the filing includes a life or annuity policy form with ILTC provisions, or a life or annuity policy form with a rider for ILTC benefits.
2. If combining products subject to life or annuity and ILTC Uniform Standards in the same filing, the applicable LTC TOI, such as LTC03I shall be selected, rather than the applicable life or annuity TOI. There are no exceptions to this requirement. *See Section B.2 above.*
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 the filing contains a life or annuity contract with ILTC provisions or a rider for ILTC benefits and other pertinent information about the life or annuity product features.
4. If a filer is submitting two separate filings (one for the life or annuity forms and one for the ILTC forms), the filer must state in the Filing Description section of both product filings that it intends to use the Compact-approved forms in another filing and provide the SERFF Tracking Number and applicable form numbers from the corresponding filing. The separate filings shall be associated using the View Associated Filings feature. *See Section D for mix and match of state-approved life or annuity products with Compact-approved ILTC riders.*

## **G. SUBMITTING ILTC ADVERTISING FILINGS**

1. For each ILTC product filing, there shall be one separate, unique filing which contains all the advertising material to be used with the product filing.
  - a. New or updated advertising forms shall be submitted in the same submission. The filer will submit a Note to Reviewer requesting the filing be re-opened so that new or updated advertising forms may be submitted for review. Filers may also add advertising forms to a pending or previously-opened filing.

- b. Each time advertising forms are added to the ILTC advertising filing, it is a new submission whether one form or multiple forms are included in the submission. Each submission will require the payment of Insurance Compact and applicable state filing fees.
- c. A filing description shall be submitted with each submission providing pertinent information for all forms included in the submission. For new or updated forms added to the ILTC Advertising submission, the description may be attached to the submission in either the Comments section of the Amendment or as a cover letter attached on the Supporting Documentation tab. The filing description must include the information as required in §1(A) Additional Submission Requirements (General) of the ILTC Advertising Standards, **including** but not limited to:
  - i. Each Form Name and Form Number
  - ii. The type of advertisement of each form: either institutional, invitation to inquire, or invitation to contact
  - iii. Description of how each form is disseminated: a brochure, letter, illustration distributed electronically, printed, internet, etc.
  - iv. Identify the Insurance Compact LTC policy/rider form(s) being advertised. If the advertising is for use with more than one Compact-approved LTC policy/rider, include a listing of all such Compact form numbers, their respective approval dates and SERFF record identifiers.
- d. Note that each new or updated form submission shall be reviewed and approved on a per-submission basis. As such, each submission is required to have its own separate Statement of Variability submitted on a new line on the Supporting Documentation tab.
  - i. Each Statement of Variability should include the Form Number in the PDF file name and in the heading on each document for which the Statement of Variability applies to.

| Item No. | Schedule Item Status   | Form Name *              | Form Number                  |
|----------|------------------------|--------------------------|------------------------------|
| 74       | Approved<br>11/17/2015 | Lead Generation Web Form | ICC15-160049SLP 11/03/15 ADV |
| 75       | Approved<br>11/17/2015 | Lead Generation Web Form | ICC15-160049DG 10/27/15 ADV  |

- e. Should objections be issued on any of the forms, filers should respond to the objections in a timely manner. Failure to respond to an objection within twenty (20) days of the “Respond By Date” will result in the forms being disapproved. Responses to objections should not include information for forms not identified in the objection.



- f. Changes to a submitted form, other than changes in response to correspondence with the Insurance Compact, the Date Submitted for the form with the self-generated changes will be considered the date of a new submission for the purpose of intake and review of the said form. Note that additional fees of the Compact and applicable state filing fees will be required.
  - g. After the initial disposition has been provided, any new submissions or updated forms submission will be issued a separate date of approval which will be provided on the Form Schedule. The subsequent forms will have a date of approval that may no longer match the date of Disposition on the Filing Correspondence tab.
  - h. After approval of subsequent forms in the ILTC Advertising submission, a filer shall not make any changes or withdraw the form from the Form Schedule tab. Any changes to an approved form will require a new submission and new supporting documentation on new lines when submitting the amended advertising form. Note that additional fees of the Compact and applicable state filing fees will be required.
- 3. **IMPORTANT NOTE:** 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 multiple companies in more than one Compact-approved ILTC product filing, the filer shall file the advertising material in a separate advertising filing associated with each applicable company's ILTC product filing.
  - 5. If advertising material will be used with both Compact-approved ILTC 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 ILTC product filings.

## **H. STATE ACTION REQUIRED FOR PARTNERSHIP POLICIES**

- 1. Based on the ILTC Uniform Standards, Compact approval of an ILTC product filing shall not be deemed as approval to use or provide any component of the product filing pursuant to any federal or state ILTC 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 ILTC product filing for Partnership. The SERFF Tracking Number may be referenced in a state Partnership submission as each Compacting State has access to all product filings submitted to the Compact for approval in the 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 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 ILTC. Under the 2017 Five-Year Review amendments, this certification, based on calendar year data, must be filed on or before May 1<sup>st</sup> of each year starting in the year after the first full year in which the applicable initial rate schedule was approved by the Insurance Compact.
2. The annual certification shall be included in each of the Compact-approved ILTC product filings containing an initial rate schedule.
  - a. The Compact office will automatically reopen the product filings for the purpose of attaching the annual certification on March 1<sup>st</sup>.
  - b. Once the initial ILTC filing submission has been reopened, the annual certification shall be filed under the Rate Schedule tab and shall consist of an actuarial certification, dated and signed by a member of the American Academy of Actuaries.
    - i. The certification should clearly reference if it applies to rate schedules that are currently marketed or that are no longer marketed.
    - ii. The certification shall have a name that includes the year, 'XXXX Annual Certification' which will assist with the tracking of this annual requirement.
    - iii. The certification shall include the Insurance Compact policy form number and the start and, if applicable, end date of issue.
  - c. Although only required for submission every triennial certification, an actuarial memorandum shall be prepared annually to support the annual certification.
  - d. The Compact annual certification fee must be submitted at the time the annual certification is submitted for review.

## **J. RATE REVISION FILINGS**

1. Filers submitting a rate schedule(s) that increase(s) premium rates only with respect to new business issued under a previously-approved policy form shall submit a Supporting Documentation Update filing submission.
  - a. The rates, exhibits, certifications, and actuarial memorandum shall be submitted on the **Rate/Rule Schedule**.
  - b. Filers shall link the new filing with the revisions to the Compact-approved filing that is being revised using the **Associated Filings** link.
  - c. Filers shall pay the applicable fees for the new Compact submission. Both the Compact and state filing fees are applicable when filing the new schedule.
2. Filers submitting rate revisions for approved rate schedules applicable to in-force policies shall make a complete new rate filing submission and include a reference to the original product filing in the Filing Description and in the View Associated Filings feature. Filers shall pay the applicable Compact and state filing fees when submitting the new rate filing.

### **APPLICABLE INSURANCE COMPACT FORMS:**

**Rating Assumptions Template:** [http://www.insurancecompact.org/industry\\_resources.htm](http://www.insurancecompact.org/industry_resources.htm)

### **Certification for Self-Certification Compliance:**

[https://www.insurancecompact.org/industry\\_resources.htm](https://www.insurancecompact.org/industry_resources.htm)

### **EFFECTIVE DATE: IMMEDIATELY**

**Filing Information Notice 2017-2 is updated and supersedes Filing Information Notice 2013-2, which was updated and superseded Filing Information Notice 2010-3**

### **CONTACT INFORMATION:**

Questions regarding this Notice should be directed to:

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