

SENATE BILL No. 1049

February 21, 2006, Introduced by Senators HAMMERSTROM, CHERRY, JACOBS, SCHAUER, OLSHOVE, SCOTT, GEORGE and STAMAS and referred to the Committee on Health Policy.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 3915, 3927, 3935, and 3942 (MCL 500.3915, 500.3927, 500.3935, and 500.3942), as added by 1992 PA 84, and by adding sections 3906, 3910, 3910a, 3910b, 3925, 3926, 3926a, 3941a, and 3942b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SENATE BILL No. 1049

1 SEC. 3906. (1) AN INDIVIDUAL LONG-TERM CARE POLICY OR
2 CERTIFICATE SHALL NOT BE ISSUED UNTIL THE INSURER HAS RECEIVED
3 FROM THE APPLICANT EITHER A WRITTEN DESIGNATION OF AT LEAST 1
4 PERSON, IN ADDITION TO THE APPLICANT, WHO IS TO RECEIVE NOTICE OF
5 LAPSE OR TERMINATION OF THE POLICY OR CERTIFICATE FOR NONPAYMENT
6 OF PREMIUM, OR A WRITTEN WAIVER DATED AND SIGNED BY THE APPLICANT
7 ELECTING NOT TO DESIGNATE ADDITIONAL PERSONS TO RECEIVE NOTICE.
8 THE APPLICANT MAY DESIGNATE AT LEAST 1 PERSON WHO IS TO RECEIVE

1 THE NOTICE OF TERMINATION, IN ADDITION TO THE INSURED.
2 DESIGNATION SHALL NOT CONSTITUTE ACCEPTANCE OF ANY LIABILITY ON
3 THE THIRD PARTY FOR SERVICES PROVIDED TO THE INSURED. THE FORM
4 USED FOR THE WRITTEN DESIGNATION SHALL PROVIDE SPACE CLEARLY
5 DESIGNATED FOR LISTING AT LEAST 1 PERSON. THE DESIGNATION SHALL
6 INCLUDE EACH PERSON'S FULL NAME AND HOME ADDRESS. FOR AN
7 APPLICANT WHO ELECTS NOT TO DESIGNATE AN ADDITIONAL PERSON, THE
8 WAIVER SHALL STATE: "PROTECTION AGAINST UNINTENDED LAPSE. I
9 UNDERSTAND THAT I HAVE THE RIGHT TO DESIGNATE AT LEAST 1 PERSON
10 OTHER THAN MYSELF TO RECEIVE NOTICE OF LAPSE OR TERMINATION OF
11 THIS LONG-TERM CARE INSURANCE POLICY FOR NONPAYMENT OF PREMIUM. I
12 UNDERSTAND THAT NOTICE WILL NOT BE GIVEN UNTIL 30 DAYS AFTER A
13 PREMIUM IS DUE AND UNPAID. I ELECT NOT TO DESIGNATE A PERSON TO
14 RECEIVE THIS NOTICE." THE INSURER SHALL NOTIFY THE INSURED OF THE
15 RIGHT TO CHANGE THIS WRITTEN DESIGNATION, NO LESS OFTEN THAN ONCE
16 EVERY 2 YEARS.

17 (2) IF THE POLICYHOLDER OR CERTIFICATEHOLDER PAYS PREMIUM
18 FOR A LONG-TERM CARE INSURANCE POLICY OR CERTIFICATE THROUGH A
19 PAYROLL OR PENSION DEDUCTION PLAN, SUBSECTION (1) DOES NOT APPLY
20 UNTIL 60 DAYS AFTER THE POLICYHOLDER OR CERTIFICATEHOLDER IS NO
21 LONGER ON SUCH A PAYMENT PLAN. THE APPLICATION OR ENROLLMENT FORM
22 FOR SUCH POLICIES OR CERTIFICATES SHALL CLEARLY INDICATE THE
23 PAYMENT PLAN SELECTED BY THE APPLICANT.

24 (3) AN INDIVIDUAL LONG-TERM CARE POLICY OR CERTIFICATE SHALL
25 NOT LAPSE OR BE TERMINATED FOR NONPAYMENT OF PREMIUM UNLESS THE
26 INSURER, AT LEAST 30 DAYS BEFORE THE EFFECTIVE DATE OF THE LAPSE
27 OR TERMINATION, HAS GIVEN NOTICE TO THE INSURED AND TO THOSE

1 PERSONS DESIGNATED UNDER SUBSECTION (1), AT THE ADDRESS PROVIDED
2 BY THE INSURED FOR PURPOSES OF RECEIVING NOTICE OF LAPSE OR
3 TERMINATION. NOTICE SHALL BE GIVEN BY FIRST-CLASS UNITED STATES
4 MAIL, POSTAGE PREPAID, AND NOTICE SHALL NOT BE GIVEN UNTIL 30
5 DAYS AFTER A PREMIUM IS DUE AND UNPAID. NOTICE SHALL BE
6 CONSIDERED GIVEN 5 DAYS AFTER THE DATE OF MAILING.

7 (4) A LONG-TERM CARE INSURANCE POLICY OR CERTIFICATE SHALL
8 PROVIDE FOR REINSTATEMENT OF COVERAGE IF THE INSURER IS PROVIDED
9 PROOF THAT THE POLICYHOLDER OR CERTIFICATEHOLDER WAS COGNITIVELY
10 IMPAIRED OR HAD A LOSS OF FUNCTIONAL CAPACITY BEFORE THE GRACE
11 PERIOD CONTAINED IN THE POLICY EXPIRED. THIS OPTION SHALL BE
12 AVAILABLE TO THE INSURED IF REQUESTED WITHIN 5 MONTHS AFTER
13 TERMINATION AND SHALL ALLOW FOR THE COLLECTION OF PAST DUE
14 PREMIUM, WHERE APPROPRIATE. THE STANDARD OF PROOF OF COGNITIVE
15 IMPAIRMENT OR LOSS OF FUNCTIONAL CAPACITY SHALL NOT BE MORE
16 STRINGENT THAN THE BENEFIT ELIGIBILITY CRITERIA ON COGNITIVE
17 IMPAIRMENT OR THE LOSS OF FUNCTIONAL CAPACITY CONTAINED IN THE
18 POLICY AND CERTIFICATE.

19 (5) THIS SECTION TAKES EFFECT JANUARY 1, 2006 AND APPLIES TO
20 LONG-TERM CARE POLICIES AND CERTIFICATES ISSUED ON OR AFTER
21 JANUARY 1, 2006.

22 SEC. 3910. (1) THIS SECTION DOES NOT APPLY TO LIFE INSURANCE
23 POLICIES OR RIDERS CONTAINING ACCELERATED BENEFITS FOR LONG-TERM
24 CARE.

25 (2) EXCEPT AS PROVIDED IN SUBSECTION (3), A LONG-TERM CARE
26 INSURANCE POLICY SHALL NOT BE DELIVERED OR ISSUED FOR DELIVERY IN
27 THIS STATE UNLESS THE POLICYHOLDER OR CERTIFICATEHOLDER HAS BEEN

1 OFFERED THE OPTION OF PURCHASING A POLICY OR CERTIFICATE
2 INCLUDING A NONFORFEITURE BENEFIT. AN OFFER SHALL BE IN WRITING
3 IF THE NONFORFEITURE BENEFIT IS NOT OTHERWISE DESCRIBED IN THE
4 OUTLINE OF COVERAGE OR OTHER MATERIALS GIVEN TO THE PROSPECTIVE
5 POLICYHOLDER OR CERTIFICATEHOLDER. THE OFFER OF A NONFORFEITURE
6 BENEFIT MAY BE IN THE FORM OF A RIDER THAT IS ATTACHED TO THE
7 POLICY. IF THE POLICYHOLDER OR CERTIFICATEHOLDER DECLINES THE
8 NONFORFEITURE BENEFIT, THE INSURER SHALL PROVIDE A CONTINGENT
9 BENEFIT UPON LAPSE THAT SHALL BE AVAILABLE FOR A SPECIFIED PERIOD
10 OF TIME FOLLOWING A SUBSTANTIAL INCREASE IN PREMIUM RATES.

11 (3) WHEN A GROUP LONG-TERM CARE INSURANCE POLICY IS ISSUED,
12 THE OFFER REQUIRED IN SUBSECTION (2) SHALL BE MADE TO THE GROUP
13 POLICYHOLDER. HOWEVER, IF THE POLICY IS ISSUED AS GROUP LONG-TERM
14 CARE INSURANCE AS DEFINED IN SECTION 3901(C) (iv), OTHER THAN TO A
15 CONTINUING CARE RETIREMENT COMMUNITY OR OTHER SIMILAR ENTITY, THE
16 OFFERING SHALL BE MADE TO EACH PROPOSED CERTIFICATEHOLDER.

17 (4) THE COMMISSIONER SHALL PROMULGATE RULES SPECIFYING THE
18 TYPE OR TYPES OF NONFORFEITURE BENEFITS TO BE OFFERED UNDER THIS
19 SECTION AS PART OF LONG-TERM CARE INSURANCE POLICIES AND
20 CERTIFICATES, THE STANDARDS FOR NONFORFEITURE BENEFITS, AND THE
21 RULES REGARDING CONTINGENT BENEFIT UPON LAPSE, INCLUDING A
22 DETERMINATION OF THE SPECIFIED PERIOD OF TIME DURING WHICH A
23 CONTINGENT BENEFIT UPON LAPSE WILL BE AVAILABLE AND THE
24 SUBSTANTIAL PREMIUM RATE INCREASE THAT TRIGGERS A CONTINGENT
25 BENEFIT UPON LAPSE AS DESCRIBED IN SUBSECTION (2).

26 SEC. 3910A. (1) THIS SECTION DOES NOT APPLY TO LIFE
27 INSURANCE POLICIES OR RIDERS CONTAINING ACCELERATED BENEFITS FOR

1 LONG-TERM CARE.

2 (2) A POLICY OR CERTIFICATE OFFERED WITH NONFORFEITURE
3 BENEFITS SHALL HAVE COVERAGE ELEMENTS, ELIGIBILITY, BENEFIT
4 TRIGGERS, AND BENEFIT LENGTH THAT ARE THE SAME AS COVERAGE TO BE
5 ISSUED WITHOUT NONFORFEITURE BENEFITS. THE NONFORFEITURE BENEFIT
6 INCLUDED IN THE OFFER SHALL BE THE BENEFITS DESCRIBED IN
7 SUBSECTION (8).

8 (3) IF THE OFFER REQUIRED TO BE MADE UNDER SECTION 3910 IS
9 REJECTED, THE INSURER SHALL PROVIDE A CONTINGENT BENEFIT UPON
10 LAPSE AS DESCRIBED IN THIS SECTION FOR INDIVIDUAL AND GROUP
11 POLICIES WITHOUT NONFORFEITURE BENEFITS ISSUED ON AND AFTER APRIL
12 1, 2006.

13 (4) IF A GROUP POLICYHOLDER ELECTS TO MAKE THE NONFORFEITURE
14 BENEFIT AN OPTION TO THE CERTIFICATEHOLDER, A CERTIFICATE SHALL
15 PROVIDE EITHER THE NONFORFEITURE BENEFIT OR THE CONTINGENT
16 BENEFIT UPON LAPSE.

17 (5) EXCEPT AS OTHERWISE REQUIRED, POLICYHOLDERS SHALL BE
18 NOTIFIED NOT LESS THAN 30 DAYS BEFORE THE DUE DATE OF A PREMIUM
19 INCREASE AND OF THE AMOUNT OF THE INCREASE.

20 (6) THE CONTINGENT BENEFIT ON LAPSE IS TRIGGERED EVERY TIME
21 AN INSURER INCREASES THE PREMIUM RATES TO A LEVEL THAT RESULTS IN
22 A CUMULATIVE INCREASE OF THE ANNUAL PREMIUM EQUAL TO OR EXCEEDING
23 THE PERCENTAGE OF THE INSURED'S INITIAL ANNUAL PREMIUM AS FOLLOWS
24 BASED ON THE INSURED'S ISSUE AGE, AND THE POLICY OR CERTIFICATE
25 LAPSES WITHIN 120 DAYS OF THE DUE DATE OF THE PREMIUM SO
26 INCREASED:

27 TRIGGERS FOR A SUBSTANTIAL PREMIUM INCREASE

		PERCENT INCREASE OVER
	<u>ISSUE AGE</u>	<u>INITIAL PREMIUM</u>
1		
2		
3	29 AND UNDER	200%
4	30-34	190%
5	35-39	170%
6	40-44	150%
7	45-49	130%
8	50-54	110%
9	55-59	90%
10	60	70%
11	61	66%
12	62	62%
13	63	58%
14	64	54%
15	65	50%
16	66	48%
17	67	46%
18	68	44%
19	69	42%
20	70	40%
21	71	38%
22	72	36%
23	73	34%
24	74	32%
25	75	30%
26	76	28%
27	77	26%
28	78	24%
29	79	22%
30	80	20%

1	81	19%
2	82	18%
3	83	17%
4	84	16%
5	85	15%
6	86	14%
7	87	13%
8	88	12%
9	89	11%
10	90 AND OVER	10%

11 (7) ON OR BEFORE THE EFFECTIVE DATE OF A SUBSTANTIAL PREMIUM
 12 INCREASE AS DEFINED IN SUBSECTION (6), THE INSURER SHALL DO ALL
 13 OF THE FOLLOWING:

14 (A) OFFER TO REDUCE POLICY BENEFITS PROVIDED BY THE CURRENT
 15 COVERAGE WITHOUT THE REQUIREMENT OF ADDITIONAL UNDERWRITING SO
 16 THAT REQUIRED PREMIUM PAYMENTS ARE NOT INCREASED.

17 (B) OFFER TO CONVERT THE COVERAGE TO A PAID-UP STATUS WITH A
 18 SHORTENED BENEFIT PERIOD AS PROVIDED IN SUBSECTION (8). THIS
 19 OPTION MAY BE ELECTED AT ANY TIME DURING THE 120-DAY PERIOD UNDER
 20 SUBSECTION (6).

21 (C) NOTIFY THE POLICYHOLDER OR CERTIFICATEHOLDER THAT A
 22 DEFAULT OR LAPSE AT ANY TIME DURING THE 120-DAY PERIOD UNDER
 23 SUBSECTION (6) IS CONSIDERED TO BE THE ELECTION OF THE OFFER TO
 24 CONVERT UNDER SUBDIVISION (B).

25 (8) BENEFITS CONTINUED AS NONFORFEITURE BENEFITS, INCLUDING
 26 CONTINGENT BENEFITS UPON LAPSE, ARE AS FOLLOWS:

27 (A) FOR PURPOSES OF THIS SUBSECTION, ATTAINED AGE RATING IS
 28 DEFINED AS A SCHEDULE OF PREMIUMS STARTING FROM THE ISSUE DATE

1 THAT INCREASES AGE AT LEAST 1% PER YEAR PRIOR TO AGE 50 AND AT
2 LEAST 3% PER YEAR BEYOND AGE 50.

3 (B) FOR PURPOSES OF THIS SUBSECTION, THE NONFORFEITURE
4 BENEFIT SHALL BE OF A SHORTENED BENEFIT PERIOD PROVIDING PAID-UP
5 LONG-TERM CARE INSURANCE COVERAGE AFTER LAPSE. THE SAME BENEFITS
6 SHALL BE PAYABLE FOR A QUALIFYING CLAIM, BUT THE LIFETIME MAXIMUM
7 DOLLARS OR DAYS OF BENEFITS SHALL BE DETERMINED AS PROVIDED IN
8 SUBDIVISION (C). AS USED IN THIS SUBDIVISION, "SAME BENEFITS"
9 MEANS AMOUNTS AND FREQUENCY IN EFFECT AT THE TIME OF LAPSE BUT
10 NOT INCREASED THEREAFTER.

11 (C) THE STANDARD NONFORFEITURE CREDIT WILL BE EQUAL TO 100%
12 OF THE SUM OF ALL PREMIUMS PAID, INCLUDING THE PREMIUMS PAID
13 PRIOR TO ANY CHANGES IN BENEFITS. THE INSURER MAY OFFER
14 ADDITIONAL SHORTENED BENEFIT PERIOD OPTIONS, AS LONG AS THE
15 BENEFITS FOR EACH DURATION EQUAL OR EXCEED THE STANDARD
16 NONFORFEITURE CREDIT FOR THAT DURATION. HOWEVER, THE MINIMUM
17 NONFORFEITURE CREDIT SHALL NOT BE LESS THAN 30 TIMES THE DAILY
18 NURSING HOME BENEFIT AT THE TIME OF LAPSE. IN EITHER EVENT, THE
19 CALCULATION OF THE NONFORFEITURE CREDIT IS SUBJECT TO THE
20 LIMITATION OF SUBSECTION (9).

21 (D) THE NONFORFEITURE BENEFIT SHALL BEGIN NOT LATER THAN THE
22 END OF THE THIRD YEAR FOLLOWING THE POLICY OR CERTIFICATE ISSUE
23 DATE. THE CONTINGENT BENEFIT UPON LAPSE SHALL BE EFFECTIVE DURING
24 THE FIRST 3 YEARS AS WELL AS THEREAFTER. HOWEVER, FOR A POLICY OR
25 CERTIFICATE WITH ATTAINED AGE RATING, THE NONFORFEITURE BENEFIT
26 SHALL BEGIN ON THE EARLIER OF THE END OF THE TENTH YEAR FOLLOWING
27 THE POLICY OR CERTIFICATE ISSUE DATE OR THE END OF THE SECOND

1 YEAR FOLLOWING THE DATE THE POLICY OR CERTIFICATE IS NO LONGER
2 SUBJECT TO ATTAINED AGE RATING.

3 (E) NONFORFEITURE CREDITS MAY BE USED FOR ALL CARE AND
4 SERVICES QUALIFYING FOR BENEFITS UNDER THE TERMS OF THE POLICY OR
5 CERTIFICATE, UP TO THE LIMITS SPECIFIED IN THE POLICY OR
6 CERTIFICATE.

7 (9) ALL BENEFITS PAID BY THE INSURER WHILE THE POLICY OR
8 CERTIFICATE IS IN PREMIUM PAYING STATUS AND IN THE PAID-UP STATUS
9 SHALL NOT EXCEED THE MAXIMUM BENEFITS THAT WOULD BE PAYABLE IF
10 THE POLICY OR CERTIFICATE HAD REMAINED IN PREMIUM PAYING STATUS.

11 (10) THERE SHALL BE NO DIFFERENCE IN THE MINIMUM
12 NONFORFEITURE BENEFITS AS REQUIRED UNDER THIS SECTION FOR GROUP
13 AND INDIVIDUAL POLICIES.

14 (11) THIS SECTION IS EFFECTIVE APRIL 1, 2006 AND SHALL APPLY
15 AS FOLLOWS:

16 (A) EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (B), THIS
17 SECTION APPLIES TO ANY LONG-TERM CARE POLICY ISSUED IN THIS STATE
18 ON OR AFTER APRIL 1, 2006.

19 (B) THIS SECTION DOES NOT APPLY TO CERTIFICATES ISSUED ON OR
20 AFTER APRIL 1, 2006, UNDER A GROUP LONG-TERM CARE INSURANCE
21 POLICY AS DEFINED IN SECTION 3901(C) (i), WHICH POLICY WAS IN FORCE
22 AT THE TIME THIS SECTION BECAME EFFECTIVE.

23 (12) PREMIUMS CHARGED FOR A POLICY OR CERTIFICATE CONTAINING
24 NONFORFEITURE BENEFITS OR A CONTINGENT BENEFIT ON LAPSE ARE
25 SUBJECT TO THE LOSS RATIO REQUIREMENTS OF SECTION 3926A TREATING
26 THE POLICY AS A WHOLE.

27 (13) TO DETERMINE WHETHER CONTINGENT NONFORFEITURE UPON

1 LAPSE PROVISIONS ARE TRIGGERED UNDER SUBSECTION (6), A REPLACING
2 INSURER THAT PURCHASED OR OTHERWISE ASSUMED A BLOCK OR BLOCKS OF
3 LONG-TERM CARE INSURANCE POLICIES FROM ANOTHER INSURER SHALL
4 CALCULATE THE PERCENTAGE INCREASE BASED ON THE INITIAL ANNUAL
5 PREMIUM PAID BY THE INSURED WHEN THE POLICY WAS FIRST PURCHASED
6 FROM THE ORIGINAL INSURER.

7 (14) FOR QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS THAT
8 ARE LEVEL PREMIUM CONTRACTS, AN INSURER SHALL OFFER A
9 NONFORFEITURE BENEFIT THAT MEETS ALL OF THE FOLLOWING:

10 (A) IS APPROPRIATELY CAPTIONED.

11 (B) PROVIDES A BENEFIT AVAILABLE IN THE EVENT OF A DEFAULT
12 IN THE PAYMENT OF ANY PREMIUMS AND STATES THAT THE AMOUNT OF THE
13 BENEFIT MAY BE ADJUSTED SUBSEQUENT TO BEING INITIALLY GRANTED
14 ONLY AS NECESSARY TO REFLECT CHANGES IN CLAIMS, PERSISTENCY, AND
15 INTEREST AS REFLECTED IN CHANGES IN RATES FOR PREMIUM PAYING
16 CONTRACTS APPROVED BY THE COMMISSIONER FOR THE SAME CONTRACT
17 FORM.

18 (C) PROVIDES AT LEAST 1 OF THE FOLLOWING:

19 (i) REDUCED PAID-UP INSURANCE.

20 (ii) EXTENDED TERM INSURANCE.

21 (iii) SHORTENED BENEFIT PERIOD.

22 (iv) OTHER OFFERINGS APPROVED BY THE COMMISSIONER THAT ARE
23 SIMILAR TO SUBPARAGRAPHS (i) TO (iii).

24 SEC. 3910B. (1) A LONG-TERM CARE INSURANCE POLICY OR
25 CERTIFICATE SHALL PROVIDE THAT A POLICYHOLDER OR
26 CERTIFICATEHOLDER WHO WISHES TO REDUCE COVERAGE AND LOWER THE
27 POLICY OR CERTIFICATE PREMIUM MAY DO SO IN NO FEWER THAN THE

1 FOLLOWING WAYS:

2 (A) BY REDUCING THE LIFETIME MAXIMUM BENEFIT.

3 (B) BY REDUCING THE NURSING FACILITY PER DIEM AND REDUCING
4 THE HOME- AND COMMUNITY-BASED SERVICE BENEFITS OF A HOME CARE
5 ONLY POLICY AND OF A COMPREHENSIVE LONG-TERM CARE POLICY.

6 (C) BY CONVERTING A "COMPREHENSIVE LONG-TERM CARE" POLICY OR
7 CERTIFICATE TO A "NURSING FACILITY ONLY" OR A "HOME CARE ONLY"
8 POLICY OR CERTIFICATE, IF THE INSURER ISSUES THOSE POLICIES OR
9 CERTIFICATES FOR SALE IN THE STATE.

10 (2) A LONG-TERM CARE INSURER SHALL INCLUDE IN THE LONG-TERM
11 CARE INSURANCE POLICY OR CERTIFICATE A DESCRIPTION OF THE WAYS IN
12 WHICH COVERAGE MAY BE REDUCED AND THE PROCESS FOR REQUESTING AND
13 IMPLEMENTING A REDUCTION IN COVERAGE.

14 (3) THE PREMIUM FOR ANY REDUCTION IN LONG-TERM CARE
15 INSURANCE COVERAGE SHALL BE BASED ON THE POLICYHOLDER'S OR
16 CERTIFICATEHOLDER'S AGE AT THE TIME THE COVERAGE TO BE REDUCED
17 WAS ISSUED AND THE PREMIUM RATE APPLICABLE TO THE REDUCED
18 COVERAGE AT THE ORIGINAL ISSUE DATE.

19 (4) A LONG-TERM CARE INSURER MAY LIMIT ANY REDUCTION IN
20 COVERAGE TO PLANS AVAILABLE FOR THAT POLICY FORM AND TO THOSE FOR
21 WHICH BENEFITS WILL BE AVAILABLE AFTER CONSIDERATION OF CLAIMS
22 PAID OR PAYABLE.

23 (5) IF A LONG-TERM CARE INSURANCE POLICY OR CERTIFICATE IS
24 ABOUT TO LAPSE, THE INSURER SHALL PROVIDE WRITTEN NOTICE TO THE
25 INSURED OF THE OPTIONS IN SUBSECTION (1) TO LOWER THE PREMIUM BY
26 REDUCING COVERAGE AND OF THE PREMIUMS APPLICABLE TO THE REDUCED
27 COVERAGE OPTIONS. THE INSURER MAY INCLUDE IN THE NOTICE

1 ADDITIONAL OPTIONS TO THOSE REQUIRED IN SUBSECTION (1). THE
2 NOTICE SHALL PROVIDE THE INSURED AT LEAST 30 DAYS IN WHICH TO
3 ELECT TO REDUCE COVERAGE, AND THE POLICY OR CERTIFICATE SHALL BE
4 REINSTATED WITHOUT UNDERWRITING IF THE INSURED ELECTS THE REDUCED
5 COVERAGE.

6 (6) IN THE EVENT OF A PREMIUM INCREASE, THE INSURED SHALL BE
7 OFFERED THE OPTION TO LOWER PREMIUMS AND REDUCE COVERAGE.

8 (7) THIS SECTION APPLIES TO LONG-TERM CARE POLICIES AND
9 CERTIFICATES ISSUED ON OR AFTER APRIL 1, 2006.

10 Sec. 3915. A long-term care insurance policy **SOLD BEFORE,**
11 **ON, OR AFTER JUNE 2, 1992** shall not condition benefits on any of
12 the following:

13 (a) The prior institutionalization of the insured.

14 (b) Prior receipt of a higher level of institutional care.

15 SEC. 3925. (1) EXCEPT AS PROVIDED IN SUBSECTION (2), THIS
16 SECTION APPLIES TO ANY LONG-TERM CARE POLICY OR CERTIFICATE
17 ISSUED IN THIS STATE ON OR AFTER APRIL 1, 2006.

18 (2) FOR A LONG-TERM CARE CERTIFICATE ISSUED ON OR AFTER
19 APRIL 1, 2006 UNDER A GROUP LONG-TERM CARE INSURANCE POLICY
20 DESCRIBED IN SECTION 3901(C) (i), WHICH POLICY WAS IN FORCE ON
21 APRIL 1, 2006, THIS SECTION APPLIES ON THE POLICY ANNIVERSARY
22 DATE FOLLOWING APRIL 1, 2006.

23 (3) OTHER THAN LONG-TERM CARE POLICIES OR CERTIFICATES FOR
24 WHICH NO APPLICABLE PREMIUM RATE OR RATE SCHEDULE INCREASES CAN
25 BE MADE, AN INSURER SHALL PROVIDE ON FORMS APPROVED BY THE
26 COMMISSIONER ALL OF THE FOLLOWING INFORMATION TO THE APPLICANT AT
27 THE TIME OF APPLICATION OR ENROLLMENT OR, IF THE METHOD OF

1 APPLICATION DOES NOT ALLOW FOR DELIVERY AT THAT TIME, AN INSURER
2 SHALL PROVIDE ON FORMS APPROVED BY THE COMMISSIONER ALL OF THE
3 FOLLOWING INFORMATION TO THE APPLICANT NO LATER THAN AT THE TIME
4 OF DELIVERY OF THE POLICY OR CERTIFICATE:

5 (A) A STATEMENT THAT THE POLICY MAY BE SUBJECT TO RATE
6 INCREASES IN THE FUTURE.

7 (B) AN EXPLANATION OF POTENTIAL FUTURE PREMIUM RATE
8 REVISIONS, AND THE POLICYHOLDER'S OR CERTIFICATEHOLDER'S OPTION
9 IN THE EVENT OF A PREMIUM RATE REVISION.

10 (C) THE PREMIUM RATE OR RATE SCHEDULES APPLICABLE TO THE
11 APPLICANT THAT WILL BE IN EFFECT UNTIL A REQUEST IS MADE FOR AN
12 INCREASE.

13 (D) A GENERAL EXPLANATION FOR APPLYING PREMIUM RATE OR RATE
14 SCHEDULE ADJUSTMENTS THAT SHALL INCLUDE A DESCRIPTION OF WHEN
15 PREMIUM RATE OR RATE SCHEDULE ADJUSTMENTS WILL BE EFFECTIVE AND
16 THE RIGHT TO A REVISED PREMIUM RATE OR RATE SCHEDULE IF THE
17 PREMIUM RATE OR RATE SCHEDULE IS CHANGED.

18 (E) INFORMATION CONCERNING EACH PREMIUM RATE INCREASE ON THE
19 POLICY OR CERTIFICATE OR SIMILAR POLICIES OR CERTIFICATES OVER
20 THE PAST 10 YEARS FOR THIS STATE OR ANY OTHER STATE THAT, AT A
21 MINIMUM, IDENTIFIES ALL OF THE FOLLOWING:

22 (i) THE POLICIES OR CERTIFICATES FOR WHICH PREMIUM RATES HAVE
23 BEEN INCREASED.

24 (ii) THE CALENDAR YEARS WHEN THE POLICY OR CERTIFICATE WAS
25 AVAILABLE FOR PURCHASE.

26 (iii) THE AMOUNT OR PERCENT OF EACH INCREASE. THE PERCENTAGE
27 MAY BE EXPRESSED AS A PERCENTAGE OF THE PREMIUM RATE PRIOR TO THE

1 INCREASE AND MAY ALSO BE EXPRESSED AS MINIMUM AND MAXIMUM
2 PERCENTAGES IF THE RATE INCREASE IS VARIABLE BY RATING
3 CHARACTERISTICS. AN INSURER MAY EXCLUDE FROM THIS DISCLOSURE
4 PREMIUM RATE INCREASES THAT ONLY APPLY TO BLOCKS OF BUSINESS
5 ACQUIRED FROM ANOTHER NONAFFILIATED INSURER OR THE LONG-TERM CARE
6 POLICIES OR CERTIFICATES ACQUIRED FROM ANOTHER NONAFFILIATED
7 INSURER WHEN THOSE INCREASES OCCURRED PRIOR TO THE ACQUISITION.
8 IF AN ACQUIRING INSURER FILES FOR A RATE INCREASE ON A LONG-TERM
9 CARE POLICY OR CERTIFICATE ACQUIRED FROM A NONAFFILIATED INSURER
10 OR A BLOCK OF POLICIES OR CERTIFICATES ACQUIRED FROM A
11 NONAFFILIATED INSURER BEFORE THE LATER OF APRIL 1, 2006 OR THE
12 END OF A 24-MONTH PERIOD FOLLOWING THE ACQUISITION OF THE BLOCK
13 OF POLICIES OR CERTIFICATES, THE ACQUIRING INSURER MAY EXCLUDE
14 THAT RATE INCREASE FROM THIS DISCLOSURE. HOWEVER, THE
15 NONAFFILIATED SELLING COMPANY SHALL INCLUDE THE DISCLOSURE OF
16 THAT RATE INCREASE AS PROVIDED IN SUBPARAGRAPH (i). IF THE
17 ACQUIRING INSURER FILES FOR A SUBSEQUENT RATE INCREASE, EVEN
18 WITHIN THE 24-MONTH PERIOD, ON THE SAME POLICY OR CERTIFICATE
19 ACQUIRED FROM A NONAFFILIATED INSURER OR BLOCK OF POLICIES OR
20 CERTIFICATES ACQUIRED FROM A NONAFFILIATED INSURER, THE ACQUIRING
21 INSURER SHALL MAKE ALL DISCLOSURES REQUIRED BY THIS SUBDIVISION,
22 INCLUDING DISCLOSURE OF THE EARLIER RATE INCREASE.

23 (4) THE INSURER MAY, IN A FAIR MANNER, PROVIDE EXPLANATORY
24 INFORMATION RELATED TO THE RATE INCREASES IN ADDITION TO THAT
25 REQUIRED UNDER SUBSECTION (3).

26 (5) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, AN
27 APPLICANT SHALL SIGN AN ACKNOWLEDGMENT AT THE TIME OF APPLICATION

1 THAT THE INSURER MADE THE DISCLOSURE REQUIRED UNDER SUBSECTION
2 (3). IF DUE TO THE METHOD OF APPLICATION THE APPLICANT CANNOT
3 SIGN AN ACKNOWLEDGMENT AT THE TIME OF APPLICATION, THE APPLICANT
4 SHALL SIGN AN ACKNOWLEDGMENT THAT THE INSURER MADE THE DISCLOSURE
5 REQUIRED UNDER SUBSECTION (3) NO LATER THAN AT THE TIME OF
6 DELIVERY OF THE POLICY OR CERTIFICATE.

7 (6) AN INSURER SHALL PROVIDE NOTICE OF AN UPCOMING PREMIUM
8 RATE SCHEDULE INCREASE TO ALL POLICYHOLDERS OR
9 CERTIFICATEHOLDERS, IF APPLICABLE, AT LEAST 45 DAYS PRIOR TO THE
10 IMPLEMENTATION OF THE PREMIUM RATE SCHEDULE INCREASE BY THE
11 INSURER. THE NOTICE SHALL INCLUDE THE INFORMATION REQUIRED BY
12 SUBSECTION (3) WHEN THE RATE INCREASE IS IMPLEMENTED.

13 (7) A LONG-TERM CARE INSURER SHALL PROVIDE TO AN APPLICANT A
14 LONG-TERM CARE INSURANCE PERSONAL WORKSHEET APPROVED BY THE
15 COMMISSIONER THAT THE APPLICANT CAN USE FOR HELP IN DETERMINING
16 WHETHER LONG-TERM CARE INSURANCE SHOULD BE PURCHASED.

17 SEC. 3926. (1) THIS SECTION APPLIES TO ANY LONG-TERM CARE
18 POLICY OR CERTIFICATE ISSUED IN THIS STATE ON OR AFTER APRIL 1,
19 2006.

20 (2) AN INSURER SHALL PROVIDE ALL OF THE FOLLOWING
21 INFORMATION TO THE COMMISSIONER 30 DAYS PRIOR TO MAKING A LONG-
22 TERM CARE INSURANCE POLICY OR CERTIFICATE AVAILABLE FOR SALE:

23 (A) A COPY OF THE DISCLOSURE DOCUMENTS REQUIRED IN SECTION
24 3925.

25 (B) AN ACTUARIAL CERTIFICATION CONSISTING OF AT LEAST ALL OF
26 THE FOLLOWING:

27 (i) A STATEMENT THAT THE INITIAL PREMIUM RATE SCHEDULE IS

1 SUFFICIENT TO COVER ANTICIPATED COSTS UNDER MODERATELY ADVERSE
2 EXPERIENCE AND THAT THE PREMIUM RATE SCHEDULE IS REASONABLY
3 EXPECTED TO BE SUSTAINABLE OVER THE LIFE OF THE POLICY OR
4 CERTIFICATE WITH NO FUTURE PREMIUM INCREASES ANTICIPATED.

5 (ii) A STATEMENT THAT THE POLICY OR CERTIFICATE DESIGN AND
6 COVERAGE PROVIDED HAVE BEEN REVIEWED AND TAKEN INTO
7 CONSIDERATION.

8 (iii) A STATEMENT THAT THE UNDERWRITING AND CLAIMS
9 ADJUDICATION PROCESSES HAVE BEEN REVIEWED AND TAKEN INTO
10 CONSIDERATION.

11 (iv) A COMPLETE DESCRIPTION OF THE BASIS FOR CONTRACT
12 RESERVES THAT ARE ANTICIPATED TO BE HELD UNDER THE POLICY OR
13 CERTIFICATE, WITH SUFFICIENT DETAIL OR SAMPLE CALCULATIONS
14 PROVIDED SO AS TO HAVE A COMPLETE DEPICTION OF THE RESERVE
15 AMOUNTS TO BE HELD, A STATEMENT THAT THE ASSUMPTIONS USED FOR
16 RESERVES CONTAIN REASONABLE MARGINS FOR ADVERSE EXPERIENCE, A
17 STATEMENT THAT THE NET VALUATION PREMIUM FOR RENEWAL YEARS DOES
18 NOT INCREASE EXCEPT FOR ATTAINED-AGE RATING WHERE PERMITTED, AND
19 A STATEMENT THAT THE DIFFERENCE BETWEEN THE GROSS PREMIUM AND THE
20 NET VALUATION PREMIUM FOR RENEWAL YEARS IS SUFFICIENT TO COVER
21 EXPECTED RENEWAL EXPENSES OR IF SUCH A STATEMENT CANNOT BE MADE,
22 A COMPLETE DESCRIPTION OF THE SITUATIONS WHERE THIS DOES NOT
23 OCCUR. AN AGGREGATE DISTRIBUTION OF ANTICIPATED ISSUES MAY BE
24 USED AS LONG AS THE UNDERLYING GROSS PREMIUMS MAINTAIN A
25 REASONABLY CONSISTENT RELATIONSHIP. IF THE GROSS PREMIUMS FOR
26 CERTAIN AGE GROUPS APPEAR TO BE INCONSISTENT WITH THIS
27 REQUIREMENT, THE COMMISSIONER MAY REQUEST A DEMONSTRATION UNDER

1 SUBSECTION (3) BASED ON A STANDARD AGE DISTRIBUTION.

2 (v) A STATEMENT THAT THE PREMIUM RATE SCHEDULE IS NOT LESS
3 THAN THE PREMIUM RATE SCHEDULE FOR EXISTING SIMILAR POLICIES OR
4 CERTIFICATES ALSO AVAILABLE FROM THE INSURER EXCEPT FOR
5 REASONABLE DIFFERENCES ATTRIBUTABLE TO BENEFITS OR A COMPARISON
6 OF THE PREMIUM SCHEDULES FOR SIMILAR POLICIES OR CERTIFICATES
7 THAT ARE CURRENTLY AVAILABLE FROM THE INSURER WITH AN EXPLANATION
8 OF THE DIFFERENCES.

9 (3) THE COMMISSIONER MAY REQUEST AN ACTUARIAL DEMONSTRATION
10 THAT BENEFITS ARE REASONABLE IN RELATION TO PREMIUMS. THE
11 ACTUARIAL DEMONSTRATION SHALL INCLUDE EITHER PREMIUM AND CLAIM
12 EXPERIENCE ON SIMILAR POLICIES OR CERTIFICATES, ADJUSTED FOR ANY
13 PREMIUM OR BENEFIT DIFFERENCES, OR RELEVANT AND CREDIBLE DATA
14 FROM OTHER STUDIES, OR BOTH. IF THE COMMISSIONER ASKS FOR THIS
15 ADDITIONAL INFORMATION, THE 30-DAY TIME PERIOD UNDER SUBSECTION
16 (2) IS TOLLED UNTIL THE COMMISSIONER RECEIVES THE REQUESTED
17 INFORMATION.

18 SEC. 3926A. (1) EXCEPT AS PROVIDED IN SUBSECTION (2), THIS
19 SECTION APPLIES TO ANY LONG-TERM CARE POLICY OR CERTIFICATE
20 ISSUED IN THIS STATE ON OR AFTER APRIL 1, 2006.

21 (2) FOR CERTIFICATES ISSUED ON OR AFTER APRIL 1, 2006 UNDER
22 A GROUP LONG-TERM CARE INSURANCE POLICY DESCRIBED IN SECTION
23 3901(C) (i), WHICH POLICY WAS IN FORCE ON APRIL 1, 2006, THIS
24 SECTION APPLIES ON THE POLICY ANNIVERSARY DATE FOLLOWING APRIL 1,
25 2006.

26 (3) AN INSURER SHALL PROVIDE NOTICE OF A PENDING PREMIUM
27 RATE SCHEDULE INCREASE, INCLUDING AN EXCEPTIONAL INCREASE, TO THE

1 COMMISSIONER AT LEAST 30 DAYS PRIOR TO THE NOTICE TO THE
2 POLICYHOLDERS. THIS NOTICE TO THE COMMISSIONER SHALL INCLUDE ALL
3 OF THE FOLLOWING:

4 (A) INFORMATION REQUIRED BY SECTION 3925.

5 (B) CERTIFICATION BY A QUALIFIED ACTUARY THAT IF THE
6 REQUESTED PREMIUM RATE SCHEDULE INCREASE IS IMPLEMENTED AND THE
7 UNDERLYING ASSUMPTIONS, WHICH REFLECT MODERATELY ADVERSE
8 CONDITIONS, ARE REALIZED, NO FURTHER PREMIUM RATE SCHEDULE
9 INCREASES ARE ANTICIPATED AND THAT THE PREMIUM RATE FILING IS IN
10 COMPLIANCE WITH THE PROVISIONS OF THIS SECTION.

11 (C) AN ACTUARIAL MEMORANDUM JUSTIFYING THE RATE SCHEDULE
12 CHANGE REQUEST THAT INCLUDES ALL OF THE FOLLOWING:

13 (i) LIFETIME PROJECTIONS OF EARNED PREMIUMS AND INCURRED
14 CLAIMS BASED ON THE FILED PREMIUM RATE SCHEDULE INCREASE AND THE
15 METHOD AND ASSUMPTIONS USED IN DETERMINING THE PROJECTED VALUES,
16 INCLUDING REFLECTION OF ANY ASSUMPTIONS THAT DEVIATE FROM THOSE
17 USED FOR PRICING OTHER POLICIES OR CERTIFICATES CURRENTLY
18 AVAILABLE FOR SALE. ANNUAL VALUES FOR THE 5 YEARS PRECEDING AND
19 THE 3 YEARS FOLLOWING THE VALUATION DATE SHALL BE PROVIDED
20 SEPARATELY. THE PROJECTIONS SHALL INCLUDE THE DEVELOPMENT OF THE
21 LIFETIME LOSS RATIO, UNLESS THE RATE INCREASE IS AN EXCEPTIONAL
22 INCREASE. THE PROJECTIONS SHALL DEMONSTRATE COMPLIANCE WITH
23 SUBSECTION (4). FOR EXCEPTIONAL INCREASES, THE PROJECTED
24 EXPERIENCE SHALL BE LIMITED TO THE INCREASES IN CLAIMS EXPENSES
25 ATTRIBUTABLE TO THE APPROVED REASONS FOR THE EXCEPTIONAL INCREASE
26 AND IF THE COMMISSIONER DETERMINES THAT OFFSETS MAY EXIST, THE
27 INSURER SHALL USE APPROPRIATE NET PROJECTED EXPERIENCE.

1 (ii) IF THE RATE INCREASE WILL TRIGGER CONTINGENT BENEFIT
2 UPON LAPSE, DISCLOSURE OF HOW RESERVES HAVE BEEN INCORPORATED IN
3 THIS RATE INCREASE.

4 (iii) DISCLOSURE OF THE ANALYSIS PERFORMED TO DETERMINE WHY A
5 RATE ADJUSTMENT IS NECESSARY, WHICH PRICING ASSUMPTIONS WERE NOT
6 REALIZED AND WHY, AND WHAT OTHER ACTIONS TAKEN BY THE INSURER
7 HAVE BEEN RELIED ON BY THE ACTUARY.

8 (iv) A STATEMENT THAT POLICY DESIGN, UNDERWRITING, AND CLAIMS
9 ADJUDICATION PRACTICES HAVE BEEN TAKEN INTO CONSIDERATION.

10 (v) IF IT IS NECESSARY TO MAINTAIN CONSISTENT PREMIUM RATES
11 FOR NEW CERTIFICATES AND CERTIFICATES RECEIVING A RATE INCREASE,
12 THE INSURER WILL NEED TO FILE COMPOSITE RATES REFLECTING
13 PROJECTIONS OF NEW CERTIFICATES.

14 (D) A STATEMENT THAT RENEWAL PREMIUM RATE SCHEDULES ARE NOT
15 GREATER THAN NEW BUSINESS PREMIUM RATE SCHEDULES EXCEPT FOR
16 DIFFERENCES ATTRIBUTABLE TO BENEFITS, UNLESS SUFFICIENT
17 JUSTIFICATION IS PROVIDED TO THE COMMISSIONER.

18 (E) SUFFICIENT INFORMATION FOR REVIEW AND APPROVAL OF THE
19 PREMIUM RATE SCHEDULE INCREASE BY THE COMMISSIONER.

20 (4) ALL PREMIUM RATE SCHEDULE INCREASES SHALL BE DETERMINED
21 IN ACCORDANCE WITH THE FOLLOWING REQUIREMENTS:

22 (A) EXCEPTIONAL INCREASES SHALL PROVIDE THAT 70% OF THE
23 PRESENT VALUE OF PROJECTED ADDITIONAL PREMIUMS FROM THE
24 EXCEPTIONAL INCREASE WILL BE RETURNED TO POLICYHOLDERS IN
25 BENEFITS.

26 (B) PREMIUM RATE SCHEDULE INCREASES SHALL BE CALCULATED SUCH
27 THAT THE SUM OF THE ACCUMULATED VALUE OF INCURRED CLAIMS, WITHOUT

1 THE INCLUSION OF ACTIVE LIFE RESERVES, AND THE PRESENT VALUE OF
2 FUTURE PROJECTED INCURRED CLAIMS, WITHOUT THE INCLUSION OF ACTIVE
3 LIFE RESERVES, WILL NOT BE LESS THAN THE SUM OF THE FOLLOWING:

4 (i) THE ACCUMULATED VALUE OF THE INITIAL EARNED PREMIUM TIMES
5 58%.

6 (ii) EIGHTY-FIVE PERCENT OF THE ACCUMULATED VALUE OF PRIOR
7 PREMIUM RATE SCHEDULE INCREASES ON AN EARNED BASIS.

8 (iii) THE PRESENT VALUE OF FUTURE PROJECTED INITIAL EARNED
9 PREMIUMS TIMES 58%.

10 (iv) EIGHTY-FIVE PERCENT OF THE PRESENT VALUE OF FUTURE
11 PROJECTED PREMIUMS NOT IN SUBPARAGRAPH (iii) ON AN EARNED BASIS.

12 (C) IF A POLICY OR CERTIFICATE HAS BOTH EXCEPTIONAL AND
13 OTHER INCREASES, THE VALUES IN SUBDIVISION (B) (ii) AND (iv) SHALL
14 ALSO INCLUDE 70% FOR EXCEPTIONAL RATE INCREASE AMOUNTS.

15 (D) ALL PRESENT AND ACCUMULATED VALUES USED TO DETERMINE
16 RATE INCREASES SHALL USE THE MAXIMUM VALUATION INTEREST RATE FOR
17 CONTRACT RESERVES AS SPECIFIED IN SECTION 733(1). THE ACTUARY
18 SHALL DISCLOSE AS PART OF THE ACTUARIAL MEMORANDUM THE USE OF ANY
19 APPROPRIATE AVERAGES.

20 (5) FOR EACH RATE INCREASE THAT IS IMPLEMENTED, THE INSURER
21 SHALL FILE FOR REVIEW AND APPROVAL BY THE COMMISSIONER UPDATED
22 PROJECTIONS, AS DESCRIBED IN SUBSECTION (3) (C) (i), ANNUALLY FOR
23 THE NEXT 3 YEARS AND INCLUDE A COMPARISON OF ACTUAL RESULTS TO
24 PROJECTED VALUES. THE COMMISSIONER MAY EXTEND THE PERIOD TO
25 GREATER THAN 3 YEARS IF ACTUAL RESULTS ARE NOT CONSISTENT WITH
26 PROJECTED VALUES FROM PRIOR PROJECTIONS. FOR GROUP INSURANCE
27 CERTIFICATES THAT MEET THE CONDITIONS IN SUBSECTION (13), THE

1 PROJECTION REQUIRED BY THIS SUBSECTION SHALL BE PROVIDED TO THE
2 POLICYHOLDER IN LIEU OF FILING WITH THE COMMISSIONER.

3 (6) IF ANY PREMIUM RATE IN THE REVISED PREMIUM RATE SCHEDULE
4 IS GREATER THAN 200% OF THE COMPARABLE RATE IN THE INITIAL
5 PREMIUM SCHEDULE, LIFETIME PROJECTIONS, AS DESCRIBED IN
6 SUBSECTION (3) (C) (i), SHALL BE FILED FOR REVIEW AND APPROVAL BY
7 THE COMMISSIONER EVERY 5 YEARS FOLLOWING THE END OF THE REQUIRED
8 PERIOD IN SUBSECTION (5). FOR GROUP INSURANCE CERTIFICATES THAT
9 MEET THE CONDITIONS IN SUBSECTION (13), THE PROJECTIONS REQUIRED
10 BY THIS SUBSECTION SHALL BE PROVIDED TO THE POLICYHOLDER IN LIEU
11 OF FILING WITH THE COMMISSIONER.

12 (7) IF THE COMMISSIONER HAS DETERMINED THAT THE ACTUAL
13 EXPERIENCE FOLLOWING A RATE INCREASE DOES NOT ADEQUATELY MATCH
14 THE PROJECTED EXPERIENCE AND THAT THE CURRENT PROJECTIONS UNDER
15 MODERATELY ADVERSE CONDITIONS DEMONSTRATE THAT INCURRED CLAIMS
16 WILL NOT EXCEED PROPORTIONS OF PREMIUMS SPECIFIED IN SUBSECTION
17 (4), THE COMMISSIONER MAY REQUIRE THE INSURER TO IMPLEMENT
18 PREMIUM RATE SCHEDULE ADJUSTMENTS OR OTHER MEASURES TO REDUCE THE
19 DIFFERENCE BETWEEN THE PROJECTED AND ACTUAL EXPERIENCE. IN
20 DETERMINING WHETHER THE ACTUAL EXPERIENCE ADEQUATELY MATCHES THE
21 PROJECTED EXPERIENCE, CONSIDERATION SHOULD BE GIVEN TO SUBSECTION
22 (3) (C) (iii), IF APPLICABLE.

23 (8) IF THE MAJORITY OF THE POLICIES OR CERTIFICATES TO WHICH
24 AN INCREASE IS APPLICABLE ARE ELIGIBLE FOR THE CONTINGENT BENEFIT
25 UPON LAPSE, THE INSURER SHALL FILE BOTH OF THE FOLLOWING WITH THE
26 COMMISSIONER:

27 (A) A PLAN, SUBJECT TO COMMISSIONER APPROVAL, FOR IMPROVED

1 ADMINISTRATION OR CLAIMS PROCESSING DESIGNED TO ELIMINATE THE
2 POTENTIAL FOR FURTHER DETERIORATION OF THE POLICY OR CERTIFICATE
3 REQUIRING FURTHER PREMIUM RATE SCHEDULE INCREASES, OR BOTH, OR TO
4 DEMONSTRATE THAT APPROPRIATE ADMINISTRATION AND CLAIMS PROCESSING
5 HAVE BEEN IMPLEMENTED OR ARE IN EFFECT.

6 (B) THE ORIGINAL ANTICIPATED LIFETIME LOSS RATIO, AND THE
7 PREMIUM RATE SCHEDULE INCREASE THAT WOULD HAVE BEEN CALCULATED
8 ACCORDING TO SUBSECTION (4) HAD THE GREATER OF THE ORIGINAL
9 ANTICIPATED LIFETIME LOSS RATIO OR 58% BEEN USED IN THE
10 CALCULATIONS DESCRIBED IN SUBSECTION (4) (B) (i) AND (iii) .

11 (9) THE COMMISSIONER SHALL REVIEW, FOR ALL POLICIES AND
12 CERTIFICATES INCLUDED IN A FILING, THE PROJECTED LAPSE RATES AND
13 PAST LAPSE RATES DURING THE 12 MONTHS FOLLOWING EACH INCREASE TO
14 DETERMINE IF SIGNIFICANT ADVERSE LAPSATION HAS OCCURRED OR IS
15 ANTICIPATED FOR ANY RATE INCREASE FILING MEETING THE FOLLOWING
16 CRITERIA:

17 (A) THE RATE INCREASE IS NOT THE FIRST RATE INCREASE
18 REQUESTED FOR THE SPECIFIC POLICY OR CERTIFICATE.

19 (B) THE RATE INCREASE IS NOT AN EXCEPTIONAL INCREASE.

20 (C) THE MAJORITY OF THE POLICIES OR CERTIFICATES TO WHICH
21 THE INCREASE IS APPLICABLE ARE ELIGIBLE FOR THE CONTINGENT
22 BENEFIT UPON LAPSE.

23 (10) IF SIGNIFICANT ADVERSE LAPSATION HAS OCCURRED, IS
24 ANTICIPATED IN THE FILING, OR IS EVIDENCED IN THE ACTUAL RESULTS
25 AS PRESENTED IN THE UPDATED PROJECTIONS PROVIDED BY THE INSURER
26 FOLLOWING THE REQUESTED RATE INCREASE, THE COMMISSIONER MAY
27 DETERMINE THAT A RATE SPIRAL EXISTS. FOLLOWING THE DETERMINATION

1 THAT A RATE SPIRAL EXISTS, THE COMMISSIONER MAY REQUIRE THE
2 INSURER TO OFFER, WITHOUT UNDERWRITING, TO ALL IN FORCE INSUREDS
3 SUBJECT TO THE RATE INCREASE THE OPTION TO REPLACE EXISTING
4 COVERAGE WITH 1 OR MORE REASONABLY COMPARABLE PRODUCTS BEING
5 OFFERED BY THE INSURER OR ITS AFFILIATES. AN OFFER UNDER THIS
6 SUBSECTION IS SUBJECT TO THE COMMISSIONER'S APPROVAL, SHALL BE
7 BASED ON ACTUARIALLY SOUND PRINCIPLES, BUT SHALL NOT BE BASED ON
8 ATTAINED AGE, AND SHALL PROVIDE THAT MAXIMUM BENEFITS UNDER ANY
9 NEW POLICY OR CERTIFICATE ACCEPTED BY AN INSURED SHALL BE REDUCED
10 BY COMPARABLE BENEFITS ALREADY PAID UNDER THE EXISTING POLICY OR
11 CERTIFICATE. THE INSURER SHALL MAINTAIN THE EXPERIENCE OF ALL THE
12 REPLACEMENT INSUREDS SEPARATE FROM THE EXPERIENCE OF INSUREDS
13 ORIGINALLY ISSUED THE POLICY OR CERTIFICATE. IF A RATE INCREASE
14 IS REQUESTED ON THE POLICY OR CERTIFICATE, THE RATE INCREASE
15 SHALL BE LIMITED TO THE LESSER OF THE MAXIMUM RATE INCREASE
16 DETERMINED BASED ON THE COMBINED EXPERIENCE AND THE MAXIMUM RATE
17 INCREASE DETERMINED BASED ONLY ON THE EXPERIENCE OF THE INSUREDS
18 ORIGINALLY ISSUED THE POLICY OR CERTIFICATE PLUS 10%.

19 (11) IF THE COMMISSIONER DETERMINES THAT AN INSURER HAS
20 EXHIBITED A PERSISTENT PRACTICE OF FILING INADEQUATE INITIAL
21 PREMIUM RATES FOR LONG-TERM CARE INSURANCE, THE COMMISSIONER, IN
22 ADDITION TO THE PROVISIONS OF SUBSECTIONS (9) AND (10), MAY
23 PROHIBIT THE INSURER FROM EITHER OF THE FOLLOWING:

24 (A) FILING AND MARKETING COMPARABLE COVERAGE FOR A PERIOD OF
25 UP TO 5 YEARS.

26 (B) OFFERING ALL OTHER SIMILAR COVERAGES AND LIMITING
27 MARKETING OF NEW APPLICATIONS TO THE PRODUCTS SUBJECT TO RECENT

1 PREMIUM RATE SCHEDULE INCREASES.

2 (12) SUBSECTIONS (1) TO (11) DO NOT APPLY TO POLICIES OR
3 CERTIFICATES FOR WHICH THE LONG-TERM CARE BENEFITS PROVIDED BY
4 THE POLICY OR CERTIFICATE ARE INCIDENTAL, IF THE POLICY OR
5 CERTIFICATE COMPLIES WITH ALL OF THE FOLLOWING:

6 (A) THE INTEREST CREDITED INTERNALLY TO DETERMINE CASH VALUE
7 ACCUMULATIONS, INCLUDING LONG-TERM CARE, IF ANY, ARE GUARANTEED
8 NOT TO BE LESS THAN THE MINIMUM GUARANTEED INTEREST RATE FOR CASH
9 VALUE ACCUMULATIONS WITHOUT LONG-TERM CARE SET FORTH IN THE
10 POLICY OR CERTIFICATE.

11 (B) THE PORTION OF THE POLICY OR CERTIFICATE THAT PROVIDES
12 INSURANCE BENEFITS OTHER THAN LONG-TERM CARE COVERAGE MEETS THE
13 NONFORFEITURE REQUIREMENTS AS APPLICABLE IN SECTION 4060 OR 4072.

14 (C) THE POLICY OR CERTIFICATE MEETS SECTIONS 3928, 3933,
15 3951, AND 3953.

16 (D) THE PORTION OF THE POLICY OR CERTIFICATE THAT PROVIDES
17 INSURANCE BENEFITS OTHER THAN LONG-TERM CARE COVERAGE MEETS, AS
18 APPLICABLE, THE POLICY ILLUSTRATIONS AND DISCLOSURE REQUIREMENTS
19 UNDER SECTION 4038.

20 (E) AN ACTUARIAL MEMORANDUM IS FILED WITH THE OFFICE OF
21 FINANCIAL AND INSURANCE SERVICES THAT INCLUDES ALL OF THE
22 FOLLOWING:

23 (i) A DESCRIPTION OF THE BASIS ON WHICH THE LONG-TERM CARE
24 RATES WERE DETERMINED.

25 (ii) A DESCRIPTION OF THE BASIS FOR THE RESERVES.

26 (iii) A SUMMARY OF THE TYPE OF POLICY, BENEFITS, RENEWABILITY,
27 GENERAL MARKETING METHOD, AND LIMITS ON AGES OF ISSUANCE.

1 (iv) A DESCRIPTION AND A TABLE OF EACH ACTUARIAL ASSUMPTION
2 USED. FOR EXPENSES, AN INSURER SHALL INCLUDE PERCENT OF PREMIUM
3 DOLLARS PER POLICY OR CERTIFICATE AND DOLLARS PER UNIT OF
4 BENEFITS, IF ANY.

5 (v) A DESCRIPTION AND A TABLE OF THE ANTICIPATED POLICY OR
6 CERTIFICATE RESERVES AND ADDITIONAL RESERVES TO BE HELD IN EACH
7 FUTURE YEAR FOR ACTIVE LIVES.

8 (vi) THE ESTIMATED AVERAGE ANNUAL PREMIUM PER POLICY OR
9 CERTIFICATE AND THE AVERAGE ISSUE AGE.

10 (vii) A STATEMENT AS TO WHETHER UNDERWRITING IS PERFORMED AT
11 THE TIME OF APPLICATION. THE STATEMENT SHALL INDICATE WHETHER
12 UNDERWRITING IS USED AND, IF USED, SHALL INCLUDE A DESCRIPTION OF
13 THE TYPE OR TYPES OF UNDERWRITING USED, SUCH AS MEDICAL
14 UNDERWRITING OR FUNCTIONAL ASSESSMENT UNDERWRITING. FOR A GROUP
15 CERTIFICATE, THE STATEMENT SHALL INDICATE WHETHER THE ENROLLEE OR
16 ANY DEPENDENT WILL BE UNDERWRITTEN AND WHEN UNDERWRITING OCCURS.

17 (viii) A DESCRIPTION OF THE EFFECT OF THE LONG-TERM CARE
18 POLICY OR CERTIFICATE PROVISION ON THE REQUIRED PREMIUMS,
19 NONFORFEITURE VALUES, AND RESERVES ON THE UNDERLYING INSURANCE
20 POLICY OR CERTIFICATE, BOTH FOR ACTIVE LIVES AND THOSE IN LONG-
21 TERM CARE CLAIM STATUS.

22 (13) SUBSECTIONS (7), (8), AND (9) DO NOT APPLY TO A GROUP
23 INSURANCE POLICY DESCRIBED IN SECTION 3901(C) (i) IF THE POLICY
24 INSURES 250 OR MORE PERSONS AND THE POLICYHOLDER HAS 5,000 OR
25 MORE ELIGIBLE EMPLOYEES OF A SINGLE EMPLOYER OR THE POLICYHOLDER,
26 AND NOT THE CERTIFICATE HOLDERS, PAYS A MATERIAL PORTION OF THE
27 PREMIUM, WHICH SHALL NOT BE LESS THAN 20% OF THE TOTAL PREMIUM

1 FOR THE GROUP IN THE CALENDAR YEAR PRIOR TO THE YEAR A RATE
2 INCREASE IS FILED.

3 (14) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,
4 EXCEPTIONAL INCREASES ARE SUBJECT TO THE SAME REQUIREMENTS AS
5 OTHER PREMIUM RATE SCHEDULE INCREASES. THE COMMISSIONER MAY
6 REQUEST A REVIEW BY AN INDEPENDENT QUALIFIED ACTUARY OR A
7 PROFESSIONAL QUALIFIED ACTUARIAL BODY OF THE BASIS FOR A REQUEST
8 THAT AN INCREASE BE CONSIDERED AN EXCEPTIONAL INCREASE. THE
9 COMMISSIONER, IN DETERMINING THAT THE NECESSARY BASIS FOR AN
10 EXCEPTIONAL INCREASE EXISTS, SHALL ALSO DETERMINE ANY POTENTIAL
11 OFFSETS TO HIGHER CLAIMS COSTS.

12 (15) AS USED IN THIS SECTION:

13 (A) "EXCEPTIONAL INCREASE" MEANS ONLY THOSE INCREASES FILED
14 BY AN INSURER AS EXCEPTIONAL FOR WHICH THE COMMISSIONER
15 DETERMINES THE NEED FOR THE PREMIUM RATE INCREASE IS JUSTIFIED
16 DUE TO EXTRAORDINARY CIRCUMSTANCES THAT WERE NOT FORESEEN AT THE
17 TIME THE RATES FOR A PRODUCT WERE ORIGINALLY APPROVED AND THAT
18 AFFECTS THE MAJORITY OF INSURERS OF SIMILAR PRODUCTS. THESE
19 CIRCUMSTANCES MAY INCLUDE, BUT ARE NOT LIMITED TO, ANY OF THE
20 FOLLOWING:

21 (i) CHANGES IN LAWS OR REGULATIONS THAT HAVE IMPACTED OR WILL
22 IMPACT LONG-TERM CARE INSURANCE COVERAGE OR LONG-TERM CARE
23 SERVICES DELIVERY OR FINANCING IN THIS STATE.

24 (ii) UNEXPECTED INCREASES IN ACTUAL OR PROJECTED CLAIMS COSTS
25 WHETHER FROM HIGHER UTILIZATION OR HIGHER INFLATION IN THE COST
26 OF LONG-TERM CARE SERVICES.

27 (iii) A PROLONGED SUBSTANTIAL REDUCTION IN THE RATE OF RETURN

1 ON THE TYPE OF INVESTMENTS GENERALLY CONTAINED IN THE PORTFOLIO
2 OF INSURERS OF SIMILAR PRODUCTS.

3 (B) "INCIDENTAL" MEANS THAT THE VALUE OF THE LONG-TERM CARE
4 BENEFITS PROVIDED IS LESS THAN 10% OF THE TOTAL VALUE OF THE
5 BENEFITS PROVIDED OVER THE LIFE OF THE POLICY OR CERTIFICATE AS
6 MEASURED ON THE DATE OF ISSUE.

7 (C) "QUALIFIED ACTUARY" MEANS A MEMBER IN GOOD STANDING OF
8 THE AMERICAN ACADEMY OF ACTUARIES.

9 (D) "SIMILAR POLICIES" MEANS ALL OF THE LONG-TERM CARE
10 INSURANCE POLICIES AND CERTIFICATES ISSUED BY AN INSURER IN THE
11 SAME LONG-TERM CARE BENEFIT CLASSIFICATION AS THE POLICY OR
12 CERTIFICATE BEING CONSIDERED. CERTIFICATES OF GROUPS DESCRIBED IN
13 SECTION 3901(C) (i) ARE NOT CONSIDERED SIMILAR TO POLICIES OR
14 CERTIFICATES OTHERWISE ISSUED AS LONG-TERM CARE INSURANCE, BUT
15 ARE SIMILAR TO OTHER COMPARABLE CERTIFICATES WITH THE SAME LONG-
16 TERM CARE BENEFIT CLASSIFICATIONS. FOR PURPOSES OF DETERMINING
17 SIMILAR POLICIES, LONG-TERM CARE BENEFIT CLASSIFICATIONS ARE
18 DEFINED AS FOLLOWS: INSTITUTIONAL LONG-TERM CARE BENEFITS ONLY,
19 NONINSTITUTIONAL LONG-TERM CARE BENEFITS ONLY, OR COMPREHENSIVE
20 LONG-TERM CARE BENEFITS.

21 Sec. 3927. (1) Benefits under individual long-term care
22 insurance policies shall be considered reasonable in relation to
23 premiums provided the expected loss ratio is at least 60%,
24 calculated in a manner that provides for adequate reserving of
25 the long-term care insurance risk. In evaluating the expected
26 loss ratio, due consideration shall be given to all relevant
27 factors, including:

1 (a) Statistical credibility of incurred claims experience
2 and earned premiums.

3 (b) The period for which rates are computed to provide
4 coverage.

5 (c) Experienced and projected trends.

6 (d) Concentration of experience within early policy
7 duration.

8 (e) Expected claim fluctuation.

9 (f) Experience refunds, adjustments, or dividends.

10 (g) Renewability features.

11 (h) All appropriate expense factors.

12 (i) Interest.

13 (j) Experimental nature of the coverage.

14 (k) Policy reserves.

15 (l) Mix of business by risk classification.

16 (m) Product features such as long elimination periods, high
17 deductibles, and high maximum limits.

18 (n) Premiums charged and losses incurred for other similar
19 policies.

20 (2) This section does not apply to fixed indivisible premium
21 life insurance policies that fund long-term care benefits
22 entirely by accelerating the death benefit.

23 **(3) THIS SECTION APPLIES TO ALL LONG-TERM CARE INSURANCE**
24 **POLICIES OR CERTIFICATES EXCEPT THOSE DESCRIBED IN SECTIONS**
25 **3926(1) AND 3926A(1) AND (2).**

26 Sec. 3935. An application for a long-term care policy shall
27 contain the following statement printed, stamped, or as part of a

1 sticker permanently affixed to the application in capital letters
2 on the first page:

3 "For additional information about long-term care coverage
4 write to the ~~Michigan insurance bureau~~ **OFFICE OF FINANCIAL AND**
5 **INSURANCE SERVICES**, P.O. Box 30220, Lansing, MI 48909 or call the
6 area agency on aging in your community."

7 **SEC. 3941A. (1) THIS SECTION DOES NOT APPLY TO LIFE**
8 **INSURANCE POLICIES OR RIDERS CONTAINING ACCELERATED BENEFITS FOR**
9 **LONG-TERM CARE.**

10 **(2) EVERY INSURER OR OTHER ENTITY MARKETING LONG-TERM CARE**
11 **INSURANCE SHALL DO ALL OF THE FOLLOWING:**

12 **(A) DEVELOP AND USE SUITABILITY STANDARDS TO DETERMINE**
13 **WHETHER THE PURCHASE OR REPLACEMENT OF LONG-TERM CARE INSURANCE**
14 **IS APPROPRIATE FOR THE NEEDS OF THE APPLICANT.**

15 **(B) TRAIN ITS PRODUCERS IN THE USE OF AND REQUIRE PRODUCERS**
16 **TO USE ITS SUITABILITY STANDARDS.**

17 **(C) MAINTAIN A COPY OF ITS SUITABILITY STANDARDS AND MAKE**
18 **THEM AVAILABLE FOR INSPECTION UPON REQUEST BY THE COMMISSIONER.**

19 **(D) TO DETERMINE WHETHER THE APPLICANT MEETS THE DEVELOPED**
20 **SUITABILITY STANDARDS, THE PRODUCER AND INSURER SHALL DEVELOP**
21 **PROCEDURES THAT TAKE ALL OF THE FOLLOWING INTO CONSIDERATION:**

22 **(i) THE ABILITY TO PAY FOR THE PROPOSED COVERAGE AND OTHER**
23 **PERTINENT FINANCIAL INFORMATION RELATED TO THE PURCHASE OF THE**
24 **COVERAGE.**

25 **(ii) THE APPLICANT'S GOALS OR NEEDS WITH RESPECT TO LONG-TERM**
26 **CARE AND THE ADVANTAGES AND DISADVANTAGES OF INSURANCE TO MEET**
27 **THESE GOALS OR NEEDS.**

1 (iii) THE VALUES, BENEFITS, AND COSTS OF THE APPLICANT'S
2 EXISTING INSURANCE, IF ANY, WHEN COMPARED TO THE VALUES,
3 BENEFITS, AND COSTS OF THE RECOMMENDED PURCHASE OR REPLACEMENT.

4 (3) IF THE INSURER DETERMINES THAT THE APPLICANT DOES NOT
5 MEET ITS SUITABILITY STANDARDS, OR IF THE APPLICANT HAS DECLINED
6 TO PROVIDE THE NECESSARY INFORMATION, THE INSURER MAY REJECT THE
7 APPLICATION FOR LONG-TERM CARE INSURANCE.

8 Sec. 3942. (1) Every insurer marketing long-term care
9 insurance coverage in this state, directly or through its
10 producers, shall do all of the following:

11 (A) PROVIDE THE TRAINING REQUIRED IN SECTION 3942B.

12 (B) ~~—(a)—~~ Establish marketing procedures to assure that any
13 comparison of policies by its ~~—agents—~~ PRODUCERS or other
14 producers are fair and accurate.

15 (C) ~~—(b)—~~ Establish marketing procedures to assure excessive
16 insurance is not sold or issued.

17 (D) ~~—(c)—~~ Display prominently by type, stamp, or other
18 appropriate means, on the first page of the outline of coverage
19 and policy the following:

20 "Notice to buyer: This policy may not cover all of the costs
21 associated with long-term care incurred by the buyer during the
22 period of coverage. The buyer is advised to review carefully all
23 policy limitations.".

24 (E) ~~—(d)—~~ Inquire and otherwise make every reasonable effort
25 to identify whether a prospective applicant or enrollee for long-
26 term care insurance already has accident and sickness or long-
27 term care insurance and the types and amounts of such insurance.

1 (F) ~~—(e)—~~ Establish auditable procedures for verifying
2 compliance with this section.

3 (2) AN INSURER MARKETING LONG-TERM CARE INSURANCE COVERAGE
4 IN THIS STATE SHALL NOT USE THE TERM "LEVEL PREMIUM" OR
5 "NONCANCELABLE" UNLESS THE INSURER DOES NOT HAVE THE RIGHT TO
6 CHANGE THE PREMIUM FOR THE PRODUCT BEING MARKETED.

7 SEC. 3942B. (1) A LONG-TERM CARE INSURER SHALL REQUIRE THAT
8 EACH PRODUCER AUTHORIZED TO SOLICIT INDIVIDUAL CONSUMERS FOR THE
9 SALE OF LONG-TERM CARE INSURANCE SHALL COMPLETE THE FOLLOWING
10 TRAINING REQUIREMENTS THAT, FOR RESIDENT LICENSEES, ARE IN
11 ADDITION TO THE REQUIREMENTS IN SECTION 1204A:

12 (A) FOR PRODUCERS ISSUED A LICENSE ON OR AFTER APRIL 1,
13 2006, 8 HOURS OF TRAINING IN THE 24-MONTH PERIOD PRIOR TO FIRST
14 SOLICITING INDIVIDUAL CONSUMERS FOR THE SALE OF LONG-TERM CARE
15 INSURANCE AND 8 HOURS OF TRAINING IN EVERY 24-MONTH PERIOD
16 FOLLOWING LICENSURE.

17 (B) FOR PRODUCERS ISSUED A LICENSE BEFORE APRIL 1, 2006, 8
18 HOURS OF TRAINING IN EVERY 24-MONTH PERIOD.

19 (2) THE TRAINING REQUIRED BY THIS SECTION SHALL CONSIST OF
20 TOPICS RELATED TO LONG-TERM CARE INSURANCE AND LONG-TERM CARE
21 SERVICES, INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

22 (A) STATE REGULATIONS AND REQUIREMENTS.

23 (B) AVAILABLE LONG-TERM CARE SERVICES AND PROVIDERS.

24 (C) CHANGES OR IMPROVEMENTS IN LONG-TERM CARE SERVICES OR
25 PROVIDERS.

26 (D) ALTERNATIVES TO THE PURCHASE OF PRIVATE LONG-TERM CARE
27 INSURANCE.

1 (E) DIFFERENCES IN ELIGIBILITY FOR BENEFITS AND TAX
2 TREATMENT BETWEEN POLICIES INTENDED TO BE FEDERALLY QUALIFIED AND
3 THOSE NOT INTENDED TO BE FEDERALLY QUALIFIED.

4 (F) THE EFFECT OF INFLATION IN ERODING THE VALUE OF BENEFITS
5 AND THE IMPORTANCE OF INFLATION PROTECTION.

6 (G) CONSUMER SUITABILITY STANDARDS AND GUIDELINES.

7 (3) THE TRAINING REQUIRED BY THIS SECTION SHALL NOT INCLUDE
8 ANY TRAINING THAT IS INSURER OR PRODUCT SPECIFIC OR THAT INCLUDES
9 ANY SALES OR MARKETING INFORMATION, MATERIALS, OR TRAINING.

10 (4) A LONG-TERM CARE INSURER SHALL OBTAIN VERIFICATION OF
11 THE TRAINING REQUIRED BY THIS SECTION BEFORE A PRODUCER IS
12 PERMITTED TO SELL THE INSURER'S LONG-TERM CARE INSURANCE
13 PRODUCTS. A LONG-TERM CARE INSURER SHALL MAINTAIN AN ACCURATE
14 RECORD OF PRODUCERS AUTHORIZED TO SELL THE INSURER'S LONG-TERM
15 CARE INSURANCE PRODUCTS TO ENSURE CONTINUED COMPLIANCE WITH THE
16 REQUIREMENTS OF THIS SECTION. ALL RECORDS OF AUTHORIZED
17 PRODUCERS, PAST AND PRESENT, SHALL BE MADE AVAILABLE TO THE
18 COMMISSIONER UPON REQUEST.