



OFFICE OF
INSURANCE COMMISSIONER

WASHINGTON LONG-TERM CARE INSURANCE RULE - Chapter 284 -83
WAC

Frequently Asked Questions and Answers

(1) What Are the Insurance Producer Training Requirements? Washington recently issued new LTC insurance training requirements effective January 1, 2009. Under these rules, all LTC insurance producers must complete eight hours of initial training and four hours of ongoing training every 24 months thereafter. Issuers and producers need to be aware that while Washington's regulatory scheme is based on the NAIC model act and regulation, there are significant Washington-specific provisions that producers transacting long-term care insurance in this state must know and understand. In addition, insurance producers are expected to be familiar with Washington's Medicaid program. Insurance producers already selling LTC insurance before January 1, 2009 will have until July 1, 2009 to complete the initial training. Insurance producers not licensed to sell before January 1, 2009 will have to complete training before selling.

Washington resident insurance producers may take the Washington approved course or the course from any other state that meets these training requirements. However, the Washington course will also earn credit toward the continuing education requirement for license renewal:

- For non-resident insurance producers, satisfaction of training requirements from the home state of the producer or any other state will be deemed to meet WA requirements. Note, however, that issuers and insurance producers must understand the newly enacted Washington long-term care insurance laws and rules.
- The course outline is the Tables of Contents of newly enacted Chapter 48.83 RCW and recently adopted Chapter 284-83 WAC.
- Current courses approved by the Commissioner will not satisfy the new training requirements.
- Insurance producers who received training under current Washington long-term care insurance requirements in effect prior to January 1, 2009 will not be credited under the new requirements.
- Persons wanting more information about insurance education training should contact the Commissioner's insurance education manager, Joe Mendoza at 360-725-7146.
 - Joe has been in contact with insurance education providers and has provided them with information about the new course requirements.

- Providers should submit their new course outlines and needed materials for approval during December. It is anticipated that the review will take only a few days.

(2) What will be the training requirements for long-term care partnership?

- If a long-term care partnership program becomes operational in Washington, a special training requirement will probably be required. The curriculum will include not only insurance education but also state Medicaid information.

(3) What Are the Form Filing Requirements? All forms issued on or after January 1, 2009 must comply with the new requirements (excluding any certificates issued under a master long-term care policy issued to a group prior to 1/1/09).

(3)(a) For those issuers with forms that currently meet the new requirements the cover letter **must** state that the filing is to be used on and after January 1, 2009. The issuer must:

1. Submit a form with a new form number, even though the form number is the only item that has changed. This number must be noted in the cover letter and the submission must be accompanied by a certification that the only change to the previously approved form is the form number and that the form is in compliance with Washington's new regulations and statutes. (This is being done in order to identify policies issued under the new regulation for actuarial and tracking purposes.)
2. Provide a list of all previously approved forms (including the OIC approval date) that will be used with the new policy form. Copies of these forms must be submitted for informational purposes. These form copies are required to help speed the review process and assures that the OIC has copies of all previously approved forms.
3. Identify any changes made to any form by submitting, in addition to the form filed for approval, a highlighted/revision marked copy of the form clearly showing each of the changes.
4. Submit a new actuarial memo and rate schedule. This rate filing must be filed separately but concurrently with the form filing. Concurrently means at the same time as the form filing. A form filing received without a concurrent rate filing will be rejected. The new rate filing must be submitted even if rates did not change.

(3)(b) For those issuers making completely new LTC filings:

- i) **If LTC coverage is to be provided by rider to a new life or a new annuity filing:**

1. The LTC rider must be filed separate and apart from the new life or new annuity filing. LTC and Life or Annuity products have different TOI's and may not be combined into a single filing.
 2. There must be a separate but concurrent* rate filing for the LTC rider.
 3. The cover letter or filing description of each filing **must** cross reference the rider and new base life or new base annuity filing with which it will be used.
- ii) **If new LTC coverage is to be provided on an existing life or annuity filing:**
1. This **must** be done by rider. We will **not** accept revised policy pages.
 2. There must be a separate but concurrent* rate filing for the LTC rider.
- iii) **If LTC coverage is provided by a contract provision(s) in a new life or a new annuity filing:**
1. There must be a separate but concurrent* rate filing for the LTC benefit.

* concurrent is defined as “occurring at the same time.” New LTC filings or coverage without a concurrent rate filing will be rejected upon receipt. There is no grace period for filing the required the rate filing.

If policy form revisions are necessary, the OIC will allow issuers to file amendatory riders or endorsements only if a mark-up of the amended form is included in the filing. The cover letter **must** state that the filing is to be used on and after January 1, 2009.

If the issuer elects to use riders or endorsements for compliance, the language of the approved rider or endorsement must be incorporated into the text of a new form filing to be made no later than October 1, 2009.

Actuarial Memo – Initial rate filing requirements are spelled out in WAC 284-83-040.

WAC 284-83-040(1) requires including the disclosure documents on rate increase history and the potential for future rate increases. Note that rate increase history is required for the past ten years (not only for 2009 and later policies) for all similar policy forms, as defined in WAC 284-83-010(12).

WAC 284-83-040(2) requires a number of actuarial certifications and a complete description of the basis of policy reserves. The description should be adequate to enable us to check actual reserve calculations.

WAC 284-83-040(3) permits the OIC to request an actuarial demonstration that benefits are reasonable in relation to premiums. A list of requirements can be found on the Commissioner's website, which may be considered a request for such a demonstration.

The current requirements relate mainly to compliance with loss ratio standards, which will be in WAC 284-83-230 for new policies. The change is only the addition of the requirements of WAC 284-83-040(1)-(2), which are spelled out clearly in the regulation.

Expedited Review – With an unknown volume of filings, an expedited review in order to ensure continuity of marketing on January 1, 2009 cannot be guaranteed. Companies are strongly encouraged to comply with the instructions above and to file the necessary forms as quickly as possible. The greater the attention to detail on the part of the issuers and the sooner the forms are filed, the greater the chance their marketing will be able to continue uninterrupted through January 1, 2009.

Under Washington regulations a deemer process is available. This process is not without risk. It must be noted that if forms are deemed approved and later are found not to be in compliance with Washington's requirements, the "deemed approval" will be withdrawn and the forms must be brought into compliance; any forms issued under the deemer must be replaced with compliant forms.

(4) How must Advertising Material be filed? A copy of any advertising material intended for use in Washington for long-term care must be filed for review by the Commissioner. This is not "file and use." This is an informational filing.

(5) How will the Commissioner treat Group Certificates issued in Washington on or after January 1, 2009 under Group Long-Term Care Insurance Policies Issued prior to January 1, 2009? Current forms of certificates may continue to be issued under old master policies issued to groups prior to January 1, 2009.

Group master policies issued prior to January 1, 2009, need not be amended or re-filed to meet the new requirements and no new form number is needed in order to issue new certificates under that old group contract. However, if that old group policy will be offered to **new groups** on or after January 1, 2009, that old master group contract, must be amended, endorsed, or re-filed for compliance with the new requirements before it can be offered to new groups.