



December 3, 2015

Mr. Mike Kreidler, Commissioner
Washington State
Office of the Insurance Commissioner
PO Box 40256
Olympia, Washington 98504-0256

Re: Proposed Amendments to WAC 284-83-025 Unintentional Lapse

Dear Mr. Kreidler:

On behalf of the American Council of Life Insurers (ACLI) and America's Health Insurance Plans (AHIP), we appreciate the opportunity to comment on the proposed amendments to WAC 284-83-025 pertaining to long-term care insurance unintentional lapse notices.

AHIP is the national trade association representing the health insurance industry. AHIP's members provide health and supplemental benefits to more than 200 million Americans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid.

The American Council of Life Insurers (ACLI) is a Washington, D.C.-based trade association with approximately 300 member companies operating in the United States and abroad. ACLI advocates in federal, state, and international forums for public policy that supports the industry marketplace and the 75 million American families that rely on life insurers' products for financial and retirement security. ACLI members offer life insurance, annuities, retirement plans, long-term care and disability income insurance, and reinsurance, representing more than 90 percent of industry assets and premiums.

The proposed amendment requires that notice of a lapse of coverage or cancellation be sent by certified mail, commercial delivery or first-class United States delivery with a written receipt from the United States Postal Service showing the date of the mailing. This requirement places an undue administrative burden on the company. Moreover, delivery of a lapse or cancellation notice (even by certified mail, by commercial delivery or by first-class mail with a written receipt from United States Postal Service) does not guarantee that those who receive it will, in fact, act in a timely manner. In addition, while we fully understand the importance of notifying the insured on a regular basis of the right to change written lapse designee or to add a lapse

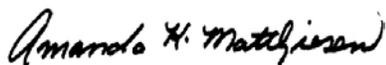
designee, if the insured has not already done so, we question if it's necessary to send such notification on an annual basis and in a separate correspondence that is not part of the billing statement. Finally, while the agent is an invaluable resource for the insured, ultimately the notice for unintentional lapse should be directed to the insured or their appointed lapse designee – this is especially important to protect the privacy of the insured.

We fully support current law, which is based upon the *NAIC Long-Term Care Insurance Model Regulation* (NAIC Model) which requires lapse and termination notices be given by first class United States mail and designee lapse notice reminders to be sent no less than every two years.

The NAIC Model reflects a broad consensus regarding the appropriate balance of insurer efforts to notify insurers regarding policy lapses and grace periods. We respectfully submit that the proposed amendment would upset that balance. For the reasons stated above, we respectfully recommend striking the proposed amendments and retaining the NAIC Model language in the rule.

Please feel free to contact us if you have questions.

Sincerely,



Amanda Matthiesen
AHIP

Sincerely,



Rod Perkins
ACLI