

Issuer Qualified Long Term Care Partnership (LTCP) Policy Certification Form

PENNSYLVANIA ISSUER CERTIFICATION FORM
(relating to Qualified State Long-Term Care Insurance Partnership)

Under 42 U.S.C. 1396p(b)(5)(B)(iii) of the Deficit Reduction Act of 2005, Pub. L. 109-171 (“the DRA”), the Insurance Commissioner may certify that long-term care insurance policies (including certificates issued under a group insurance contract) covered under the qualified State long-term care insurance partnership (“Qualified Partnership”) meet certain consumer protection requirements, and policies so certified are deemed to satisfy such requirements. These consumer protection requirements are set forth in 42 U.S.C. 1396p(b)(5)(A) and principally include certain specified provisions of the 2002 Pennsylvania Long-Term Care Insurance Regulation, the 1992 Pennsylvania Long-Term Care Act (referred to herein as the “Pennsylvania Regulation” and “Pennsylvania Act” respectively), Long-Term Care Insurance Model Regulation and Long-Term Care Insurance Model Act promulgated by the National Association of Insurance Commissioners (as adopted as of October 2000) (referred to herein as the “2000 Model Regulation” and “2000 Model Act” respectively).

In order to provide the Insurance Commissioner with information necessary to provide a certification for policies, this Pennsylvania Issuer Qualified LTCP Policy Certification Form requests information and a certification from issuers of long-term care insurance policies with respect to policy forms that may be covered under the Pennsylvania Qualified Partnership.

An insurance company may request certification of policies from time to time and, accordingly, may supplement this issuer certification form, *e.g.*, as it introduces new long-term care insurance policy forms for issuance.

I. GENERAL INFORMATION

A. Name, address and telephone number of issuer:

B. Name, address, telephone number, and email address (if available) of an employee of issuer who will be the contact person for information relating to this form:

C. Policy form number(s) (or other identifying information, such as certificate series) for policies covered by this Issuer Certification Form:

Specimen copies of each of the above policy forms, including any riders and endorsements, shall be provided upon request.

II. QUESTIONS REGARDING APPLICABLE PROVISIONS OF THE PENNSYLVANIA LONG TERM CARE ACT AND REGULATION AND THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (NAIC) MODEL REGULATION AND ACT

Please answer each of the questions below with respect to the policy forms identified in section I.C above. For purposes of answering the questions below, any provision of the Pennsylvania Regulation, Pennsylvania Act, 2000 Model Regulation and 2000 Model Act listed below shall be treated as including any other provision of the Pennsylvania Regulation, Pennsylvania Act, 2000 Model Regulation and 2000 Model Act necessary to implement the provision.

Are the following requirements of the Pennsylvania Regulation, Pennsylvania Act, 2000 Model Regulation and 2000 Model Act met with respect to all policies (including certificates issued under a group insurance contract) intended to be covered under the Qualified Partnership that are issued on each of the policy forms identified in section I.C above?

Yes ___ No ___ N/A ___ A. 31 Pa. Code 89a.105 (a) (relating to guaranteed renewal or non-cancellability).

Yes ___ No ___ N/A ___ B. 31 Pa. Code 89a.105 (b) (relating to prohibitions on limitations and exclusions).

Yes ___ No ___ N/A ___ C. 31 Pa. Code 89a.105 (c) (relating to extension of benefits).

Yes ___ No ___ N/A ___ D. 31 Pa. Code 89a.105 (d) (relating to continuation or conversion of coverage).

Yes ___ No ___ N/A ___ E. 31 Pa. Code 89a.105 (e) (relating to discontinuance and replacement of policies).

Yes ___ No ___ N/A ___ F. 31 Pa. Code 89a.106 (relating to unintentional lapse).

Yes ___ No ___ N/A ___ G. 31 Pa. Code 89a.107 (relating to disclosure).

Yes ___ No ___ N/A ___ H. 31 Pa. Code 89a.108 (relating to required disclosure of rating practices to consumer).

Yes ___ No ___ N/A ___ I. 31 Pa. Code 89a.110 (relating to prohibitions against post-claims underwriting).

Yes ___ No ___ N/A ___ J. 31 Pa. Code 89a.111 (relating to minimum standards).

Yes ___ No ___ N/A ___ K. 31 Pa. Code 89a.113 (relating to application forms and replacement coverage); 2000 Model Regulation Section 14F (relating to accelerated long term care benefits)

Yes ___ No ___ N/A ___ L. 31 Pa. Code 89a.114 (relating to reporting requirements).

Yes ___ No ___ N/A ___ M. 31 Pa. Code 51.4(d) (relating to filing requirements for marketing).

Yes ___ No ___ N/A ___ N. 31 Pa. Code 89a.120 (relating to standards for marketing).

Yes ___ No ___ N/A ___ O. 31 Pa. Code 89a.121 (relating to suitability).

Yes ___ No ___ N/A ___ P. 31 Pa. Code 89a.122 (relating to prohibition against preexisting conditions and probationary periods in replacement policies or certificates).

Yes ___ No ___ N/A ___ Q. 31 Pa. Code 89a.123 (relating to contingent nonforfeiture benefits if the policyholder declines the offer of a nonforfeiture benefit).

Yes ___ No ___ N/A ___ R. 31 Pa. Code 89a.126 (relating to standard format outline of coverage).

Yes ___ No ___ N/A ___ S. 31 Pa. Code 89a.127 (relating to requirement to deliver shopper's guide); 2000 Model Regulation Section 30 (relating to life policies with accelerated LTC benefits).

Yes ___ No ___ N/A ___ T. 40 P.S. 991.1105(c) (relating to preexisting conditions).

Yes ___ No ___ N/A ___ U. 40 P.S. 991.1108 (relating to prior hospitalization).

Yes ___ No ___ N/A ___ V. 31 Pa. Code 89a.123 (relating to contingent nonforfeiture benefits).

Yes ___ No ___ N/A ___ W. 40 P.S. 991.1110 and Section 6F (relating to right to return).

Yes ___ No ___ N/A ___ X. 40 P.S. 991.1111 (relating to outline of coverage).

Yes ___ No ___ N/A ___ Y. 2000 Model Act Section 6H (relating to requirements for certificates under group plans).

Yes ___ No ___ N/A ___ Z. 2000 Model Act Section 6J (relating to policy summary).

Yes ___ No ___ N/A ___ AA. 2000 Model Act Section 6K (relating to monthly reports on accelerated death benefits).

Yes ___ No ___ N/A ___ BB. 2000 Model Act Section 7 (relating to incontestability period).

In order for a policy to be covered under the Pennsylvania Qualified Partnership, the answers to all questions above should be "yes" (or "N/A" where all requirements with respect to a provision above are not applicable). If answers differ between policy forms (*e.g.*, a requirement would be answered "Yes" for one form and "N/A" for another), you should use separate Pennsylvania Issuer Certification Forms for such policies.

Yes ___ No ___ N/A ___ Certification by company officer that the submitted Qualified LTCP

policy will only be sold by producers who have received training and demonstrated evidence of an understanding of Qualified LTCP policies and how they relate to other public and private coverage of long term care.

Yes ___ No ___ N/A ___ Certification by company officer that the appropriate inflation protections will be offered.

III. CERTIFICATION

I hereby certify that the answers, accompanying documents, and other information set forth herein are, to the best of my knowledge and belief, true, correct, and complete.

Date

Name and title of officer of the Issuer

Signature of officer of the Issuer

Policyholder Long Term Care Partnership (LTCP) Program Notification Form

[Issuer Letterhead]

**Important Notice Regarding Your Policy's
LTCP Status**

(Please keep this Notice with Your Policy or Certificate)

The Pennsylvania Qualified Partnership. The Pennsylvania Qualified Partnership is an innovative partnership between Pennsylvania's Department of Public Welfare (DPW), the Pennsylvania Insurance Department and private insurers of long-term care insurance policies. The Pennsylvania Qualified Partnership program is offered in accordance with the Deficit Reduction Act of 2005 (P.L. 109-171).

Notice of Qualified Partnership Policy Status. This Notice identifies the long-term care insurance policy or certificate that you've purchased as a Qualified Partnership Policy. This Notice explains the valuable Medical Assistance asset protection that you may receive from purchasing a Qualified Partnership Policy.

Medical Assistance Resource Protection Provided. Long-term care insurance helps individuals prepare for future long-term care needs. Qualified Partnership Policies provide an additional level of protection. In particular, such policies permit individuals to protect resources under Pennsylvania's Medical Assistance –Long Term Care Program if assistance is ever needed under that program and the individual would be otherwise eligible for Medical Assistance-Long Term Care. In addition, if these specific protected resources are still in existence when the individual dies and they are part of the decedent's probate estate, they will not be recoverable under Pennsylvania's Medical Assistance Estate Recovery Program. The Medical Assistance Estate Recovery Program is a federally mandated program that requires Pennsylvania's DPW to recover the cost of long term care and related services provided under the Medical Assistance Program from the estates of certain individuals who have died.

Specifically, the resource, eligibility, and estate recovery provisions of the Pennsylvania Medical Assistance program permit the disregard of an amount of assets which is equal to the amount of insurance benefits you have received from your Qualified Partnership Policy. For example, if you receive \$200,000 of insurance benefits from your Qualified Partnership Policy, you would be able to retain \$200,000 of resources and still be eligible for long term care services provided under the Medical Assistance Program. This disregard is above and beyond the resources normally permitted to be retained by an individual and still qualify for Medical Assistance. This protection of assets applies to individuals in need of long term care services both in the community or residing in a long term care facility.

All Medical Assistance eligibility requirements besides the resources protected through the ownership of a Qualified Partnership Policy must be met to qualify for long term services under Pennsylvania's Medical Assistance Program. You must meet the Medical Assistance Program's income requirements and you will be required to pay some of your income to the costs of your care in a long term care facility. You should be aware that Medical Assistance eligibility requirements may change over time.

Additional Consumer Protections. In addition to providing Medical Assistance asset protection, your Qualified Partnership Policy has other important features. Under the rules governing Pennsylvania's Qualified Partnership, your Qualified Partnership Policy must be a qualified long-term care insurance contract under Federal tax law. As such the insurance benefits you receive from the policy generally will be subject to beneficial income tax treatment. (Please note that a policy can be a tax qualified long-term care insurance contract under Federal tax law, with the same beneficial income tax treatment, even if it is not a Qualified Partnership Policy.) In addition, if you were under age 76 when you purchased your Qualified Partnership Policy, it must provide inflation protection to help protect against potential future increases in the cost of long-term care. (For older purchasers, an offer of inflation protection is required.)

What Could Disqualify Your Policy as a Partnership Policy? If you make any changes to your policy or certificate, such changes could affect whether your policy or certificate continues to qualify as a Qualified Partnership Policy. Before you make any changes, you should consult with the issuer of your policy to determine the effect of a proposed change. In addition, if you move to a State that does not maintain a Qualified Partnership or does not recognize your policy as a Qualified Partnership Policy, you would not be eligible to receive Medical Assistance asset protection in that State. Also, changes in Federal or State law could affect the Medical Assistance asset protection available with respect to your Qualified Partnership Policy.

Additional information. If you would like further information about the Medical Assistance asset protection provided by your Qualified Partnership Policy or the Pennsylvania Qualified Partnership, please call [insert number] or visit [insert website].

Provided to Policyholder on

Date

Copy: Policyholder
Issuer Records

Revised Attachment C

Policyholder Long Term Care Partnership (LTCP) Program Status Form

[Issuer Letterhead]

LONG TERM CARE PARTNERSHIP PROGRAM POLICY SUMMARY

- 1. Name of insured _____
- 2. Policy/certificate number _____
- 3. Effective date of coverage _____
- 4. The policy/certificate was issued in the state of _____
- 5. Issue age of the insured at the time the coverage was issued _____
- 6. The policy/certificate was issued With Without inflation coverage
- 7. The inflation coverage at the time of issuance was Simple Inflation Compound Inflation None
- 8. The inflation coverage currently in effect on the coverage is
 Simple Inflation Compound Inflation None
- 9. The policy meets the standards of a tax qualified long-term care policy Yes No
- 10. The cumulative dollar amount of insurance benefits paid \$_____
(Note: The indicated amount does not include any payments for cash surrender, return of premium death benefits, or waiver of premium, and if joint coverage, the amount is for the indicated insured only)
- 11. The total dollar amount of insurance benefits remaining available under the policy \$_____
- 12. Date this form was completed _____
- 13. The name, phone number and email address of the person completing this form

Name and Title

Phone Number

Email Address

I hereby certify that the above information is true and accurate to the best of my knowledge at the time of this certification.

Signature

Date: _____

**LTC PARTNERSHIP CERTIFICATION
ACCEPTABLE INFLATION PROTECTION
FOR
CERTIFICATION PURPOSES**

The following format is requested by the Pennsylvania Insurance Department for Long-term Care Insurers to disclose the Company's intentions to the Department regarding how the Company will satisfy the requirement of 42 U.S.C. § 1396p (b)(1)(A)(iii)(IV) of the Deficit Reduction Act of 2005.

Please use this format when certifying to the Department how **your Company** will comply with the requirements to either Issue or Offer to Issue certain inflation protection benefits to insured's dependent upon their issue age.

For any Issue Age: 5% annual compound (lifetime) option must be offered. <i>(Pursuant to 31 PA Code § 89a.112)</i>
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Please check this box to confirm that the Company will offer each insured the option to purchase 5% annual compound lifetime inflation protection. (This inflation protection must be offered regardless of issue age).

Inflation Protection Requirements
ISSUE AGE INFLATION PROTECTION
For Issue Ages 60 and under:
<i>The policy <u>must be issued</u> with <u>Annual compound Inflation</u> that automatically increases annually at <u>a rate equal to the Consumer Price Index (CPI) or at a fixed rate of not less than 1%.</u></i>
<i>[Place your Company information here.]</i>
<input type="checkbox"/> For Issue Ages 60 and under, the Company will issue annual compound inflation protection that increases annually at a rate equal to the Consumer Price Index (CPI) or
Increases annually at a fixed rate of <input style="width: 50px;" type="text"/> % - (must not be less than 1%).
Provide a listing of the approved inflation protection form numbers and description of the forms that will be issued to persons issue age 60 and under.
Form #: <input style="width: 100px;" type="text"/> Description: <input style="width: 500px;" type="text"/>
Form #: <input style="width: 100px;" type="text"/> Description: <input style="width: 500px;" type="text"/>
Form #: <input style="width: 100px;" type="text"/> Description: <input style="width: 500px;" type="text"/>
Form #: <input style="width: 100px;" type="text"/> Description: <input style="width: 500px;" type="text"/>
See attached sheet for additional form listing.
ISSUE AGE INFLATION PROTECTION
For Issue Ages 61 – 75:
<i>The policy <u>must be issued</u> with some form of inflation protection – either <u>compound or simple inflation protection as a rate equal to the Consumer Price Index (CPI) or at a fixed rate not less than 1%.</u></i>
<i>[Place your Company information here]</i>
The Company will issue Annual compound inflation protection of not less than <input style="width: 50px;" type="text"/> % or Simple inflation protection of not less than <input style="width: 50px;" type="text"/> %.

Provide a listing of the approved inflation protection form numbers and description of the forms that will be issued to persons issue ages 61 – 75.	
Form #:	Description:
<input type="checkbox"/> See attached sheet for additional form listing.	
For Issue Ages 76 and over:	
Lifetime Inflation protection must be offered.	

[Place your Company information here] – Describe the Inflation Protection Coverage that will be offered to persons Issue Ages 76 and Over, in addition to the 5% annual compound (lifetime) option required to be offered to persons regardless of issue age

Describe the Inflation Protection Coverage the Company will offer to persons issue age 76 or over: _____

Provide a listing of the approved inflation protection form numbers and description of the forms that will be issued to persons issue ages 76 and over.	
Form #:	Description:
<input type="checkbox"/> See attached sheet for additional form listing.	

Note:

1. All forms used to satisfy the above requirements must be approved by the Department **AND** meet all the requirements of the Long-Term Care Partnership Program as described above. If prior approved forms need to be revised to meet the requirements of the Long-Term Care Partnership Program, they may be submitted for approval along with the Company's request for Long-term Care Partnership Certification.
- 2). The Department will allow Inflation Protection Options to be offered with a Long Term Care Partnership policy that reduce the level of inflation protection as the individual ages **ONLY** so far as they are consistent with the age triggered inflation protection levels outlined in the DRA. (See the DRA requirements outlined in the table above.)
- 3). A **Future or Guaranteed Purchase Option** for inflation protection may be offered with a Long Term Care Partnership policy **ONLY** if this option is offered to issue age persons **76 years of age or older**.

The above certification must be dated and signed by a Company Officer.

Date: _____ Printed Name of the Company Officer: _____

Name of Company: _____

SERFF Tracking #: _____