

Company Name: _____ Contact: _____

SERFF TRACKING #: _____ Date Filed: _____

**ACCIDENT & HEALTH FORMS & RATES FILING SUBMISSION REQUIREMENTS CHECKLIST
INDIVIDUAL LONG TERM CARE
Updated October 14, 2008**

This checklist applies to Individual Long Term Care policies, rates, rules and supplementary rating. Form, rates, rules, and other supplementary information proposed to be issued in this Commonwealth shall be submitted for approval. This checklist is not considered all inclusive and only functions as a guide. For a complete understanding of the filing requirements and instructions, please refer to the applicable laws and regulations. (40 P.S. § 991.1101 and 40 P.S § 3801 et Seq.)

X	REVIEW REQUIREMENTS	REFERENCE	COMMENTS
SUBMISSION REQUIREMENTS			
	FILING FEES	40 P.S. § 50	Any filing fee as required by the retaliatory requirements of Section 212 of the Insurance Department Act.
	TRANSMITTAL LETTER (Transmittal Letter Requirements below for complete requirements)	31 Pa. code § 89b4(a) 31 Pa. Code § 89b.5	Duplicate copies of the Letter of Submission for hard copy submissions. Company must supply a listing of forms as required.
	FORMS REQUIREMENTS (See Form Requirements Section below for complete requirements)	31 Pa. Code §89b.4	Duplicate copies of the form(s) if submitted in hard copy. For electronic submissions, only one copy of form(s) is required.
	ADVERTISEMENTS	31 Pa. Code § 51 31 Pa. Code § 89a.120 40 P.S. § 1171.1 – § 1171.15 40 P.S. § 991.1113	Advertisements are included or will be filed.
	ACTUARIAL DOCUMENTATION RATE TABLE NUMERICAL DATA (see Actuarial Requirements section below for complete requirements)	31 Pa. Code § 89a.109(b) 31 Pa. Code § 89a.108	Actuarial certification, memorandum and explanatory exhibits for new forms and/or rate changes are required. A rate table must be included with the submission. Numerical Data must be provided on Microsoft Excel spreadsheets (version 2000 or less), on a CD or electronically.
TRANSMITTAL LETTER REQUIREMENTS			
	REPRESENTATIVE/INSURER IDENTITY & AUTHORIZATION TO FILE	31 Pa. Code § 89b.4(f) 31 Pa. Code § 89b.5 & § 89b.11(a)	1. Identify the insurer whose name appears on each filed form. 2. Identify the representative of the insurer or other party authorized to make the filing. 3. If the filing is being submitted by a separate party on behalf of the insurer, a letter of authorization is needed from the insurer authorizing the separate party to submit the filing.
	FORMS REQUIREMENT FOR EACH SUBMITTED FORM	31 Pa. Code § 89b.4 31 Pa. Code § 89b.5 31 Pa. Code § 89b.11 40 P.S. § 752	Duplicate copies of the form(s) if submitted in hard copy. For electronic submissions, only one copy of form(s) is required. A separate listing of all the submitted forms is required. When listing all submitted forms, identify each form by: 1. Type of form. 2. Form number. 3. Product category. Identify whether it is an individual or group policy form and the coverage of each policy form filed 4. State whether or not each submitted form is intended to replace a previously approved or filed form. If replacement is involved, the submission letter must identify: (a). The form number of the form to be replaced.

			(b). The date that the form was approved or filed. (c). All replacement forms that have the same form number as the original filing need a revision date as part of the form number. The form number shall be adequate to distinguish the policy from all others used by the insurer and placed in the lower left-hand corner of the document. (d). A description of the changes made to the form to be replaced. **The Department requires that a highlighted copy representing changes be submitted.
	STATEMENT OF ANY INTENDED VARIABILITY	31 Pa. Code § 89b.11(e)	An explanation of the variability of any information appearing in the contract which is noted as variable. All such information shall be bracketed to clearly denote variability.
	INNOVATIVE FEATURES	31 Pa. Code § 89b.5(4)	Briefly describe any new or innovative benefits to be offered in the policy form in addition to the benefits provided in the policy form that otherwise complies with the applicable Long Term Care standards.
	INSERT PAGE REQUIREMENTS	31 Pa. Code §153.2	If the filing includes an insert page(s), an explanation of when the insert page(s) will be used.
	RATE ADJUSTMENT REQUIREMENTS		Company must identify adjustment percentage and if the adjustment varies by age, benefit, etc., the range of variation, Pennsylvania form numbers affected and the number of Pennsylvania policyholders affected.

FORMS REQUIREMENTS

FORMS REQUIRED BY PRODUCT LINE:

LONG TERM CARE:

LONG TERM CARE PARTNERSHIP PROGRAM CERTIFICATION:

READABILITY REQUIREMENTS

	GENERAL READABILITY	31 Pa. Code § 89b.11(f) 31 Pa. Code § 89b.4(b)	Forms shall be clearly legible, concise, accurate and consistent.
	TYPE (FONT)	40 P.S. § 752(A)(4) 31 Pa. Code § 89.783(d)(3) 31 Pa. Code § 89.784(4)	Each form shall be presented in at least 10 point type with the exception of the Outline of Coverage and the Notice Regarding Replacement which are to be 12 point type.
	PROMINENCE	40 P.S. § 752(A)(4) 31 Pa. Code § 89b.1	The style, arrangement and overall appearance of the policy shall give no undue prominence to any portion of the text of the policy or to any endorsements or riders.
	VARIABILITY	31 Pa. Code § 89b.11(e)	1. The blank spaces of each form, except an application, shall be filled in with hypothetical data to indicate the purpose of the form. 2. The data shall be realistic and consistent with the other contents of the form. 3. Information appearing in a form, except an application, which is variable shall be bracketed or otherwise marked to denote variability.
	FORM NUMBER	31 Pa. Code § 89b.11(b) 40 P.S. § 752(A)(6)	Each form must encompass a form number in the lower left hand corner which is adequate to distinguish such form from all others used by the Insurer.

POLICY FORM GENERAL REQUIREMENTS

	COVER PAGE: COMPANY NAME & ADDRESS LOGO SIGNATURES	31 Pa. Code § 89b.11(a) 40 P.S. § 440	1. The full corporate name of the insuring company shall appear prominently on the first page of the policy. 2. The insuring company address, consisting of at least a city and state shall appear on the first page of the policy. 3. A marketing name or logo may be used on the first page of the policy provided that neither misleads as to the identity of the Insuring company. 4. Signatures of two company officers shall appear on the first page of the policy.
	COVER PAGE: FREE LOOK	40 P.S. § 991.1110	The policy shall contain a right to examine provision that shall appear on the cover page of the policy or is visible without opening the policy. This must include the address of the company so that the policy can be returned directly to the company rather than through the Producer.
	COVER PAGE: FORM NUMBER	31 Pa. Code § 89b.11(b) 40 P.S. § 752(A)(6)	A form identification number shall appear at the bottom of the policy. The form number shall be adequate to distinguish the form from all others used by the insurer and placed in the lower left-hand corner of the document.
			The policy shall contain a brief description that shall

	COVER PAGE: DESCRIPTION OF COVERAGE	31 Pa. Code § 89a. 107 31 Pa. Code § 89a. 108 31 Pa. Code § 89b.11(c)	appear prominently on the cover page of the policy or is visible without opening the policy. The brief description shall contain at least the following information: 1. A caption of the type of coverage provided (i.e.: Long Term Care Policy providing Nursing Home and Home Health Care Benefits.) 2. A provision indicating that the policy coverage shall be guaranteed renewable. 3. A provision that the insurer reserves the right to change premiums and a provision regarding any renewal premium increases.
	COVER PAGE: PARTICIPATING/NONPARTICIPATING	31 Pa. Code § 89b.11(c)(3)	Disclose whether or not the policy is participating or non-participating.
	COVER PAGE: NOTICE TO BUYER	31 Pa. Code § 89a.120(a)(2)	The policy shall display a notice that states "Notice to buyer: This policy may not cover all your medical expenses." Such notice shall appear prominently on the first page of the policy by type, stamp or other appropriate means.
	COVER PAGE: RENEWABILITY	31 Pa. Code § 88.11 31 Pa. Code § 89.74 31 Pa. Code § 89a.105(a) 31 Pa. Code § 89a.107(a) 31 Pa. Code § 89a.108(a) 31 Pa. Code § 89a.120	A Renewability provision must be appropriately captioned. It must include the insurers' right to change premiums. If applicable, it must include any automatic renewal premiums increases based on age and give 45 days prior notice of premium change.
	COVER PAGE: TAX-QUALIFIED/NON TAX-QUALIFIED	31 Pa. Code § 89a.107(g)&(h)	A disclosure statement must appear, stating that the policy is intended to be or not intended to be a qualified long-term care insurance contract.
	COVER PAGE: ASSESSABLE POLICY	31 Pa. Code § 88.122 31 Pa. Code § 89.73	A disclosure is required if the policy is assessable.
	COVER: CAUTION	31 Pa. Code § 89a.110	A "caution" notice of accuracy if the application contains medical questions.
	SCHEDULE OF BENEFITS PAGE	31 Pa. Code § 89b.11(e) 31 Pa. Code § 153.2 40 P.S. § 752	1. If the specifications page of the policy is submitted, it shall be completed with hypothetical data. This data must be realistic and consistent with the other contents of the policy. 2. Any variable information appearing in the policy shall be bracketed to clearly denote variability. 3. A complete statement of variability is required. **This information is required to be in the Policy: 1. Entire Money and Consideration. 2. Effective date of coverage. 3. Identification of Insured. 4. All eligible family members. 5. Overview of Coverage
POLICY FORM REQUIRED PROVISIONS			
40 P.S. § 753(C) Inapplicable or Inconsistent Provisions. If any provision of this section (40 P.S. § 753) is in whole or in part inapplicable to or inconsistent with the coverage provided by a particular form of policy, the insurer, with the approval of the commissioner, shall omit from such policy any inapplicable provision or part of a provision, and shall modify any inconsistent provision of part of the provision in such manner as to make the provision as contained in the policy consistent with the coverage provided by the policy. (D) Order of Certain Policy Provisions. The provisions which are the subject of subsections (A) and (B) of this section, or any corresponding provisions which are used in lieu there of in accordance with such subsections, shall be printed in the consecutive order of the provisions in such subsections or, at the option of the insurer, any such provision may appear as a unit in any part of the policy, with other provisions to which it may be logically related, provided the resulting policy shall not be in whole or in part unintelligible, uncertain, ambiguous, abstruse, or likely to mislead a person to whom the policy is offered, delivered or issued.			
	ENTIRE CONTRACT	40 P.S. § 753(a)(1) P.L. 682, No. 284 § 618	The policy shall contain a provision regarding what constitutes the entire contract between the insurer and the policyholder. If the application is to be a part of the policy the entire contract provision shall state that the application is a part of the policy.
	TIME LIMITS ON CERTAIN DEFENSES(Non-Tax Qualified)		1. The policy shall contain a provision regarding time limits on certain defenses. 2. The contestable period shall be no greater than 3 years from the date of policy issue. 3. Coverage may be contested based on a statement contained in an application made a part of the policy, therefore if the issuing company expects to rely on an application to contest the policy, the company must attach

	INCONTESTABILITY (Tax Qualified)	40 P.S. § 753(a)(2) 40 P.S. § 991.1107 HIPAA § 326	or otherwise make the application a part of the policy. 4. The policy may only include the following exception to the time limit on certain defense provisions: fraudulent misstatement. 5. Exclusionary riders are prohibited. 6. Previously paid LTC qualified benefits may NOT be recovered. 7. For tax qualified policies, use Incontestability Period instead of Time Limit on Certain Defenses.
	GRACE PERIOD	40 P.S. § 753 31 Pa. Code § 89a.106 P.L. 682, No. 284 § 618	1. The policy shall contain a grace period provision and include the conditions of the provision. 2. A minimum of 65 days grace period shall be provided for the payment of any premium due except the first. 3. The coverage shall continue in force during the grace period and may not be back-dated.
	REINSTATEMENT- GENERAL AND COGNITIVE IMPAIRMENT	31 Pa. Code § 89a.106 40 P.S. § 753(a)(4) P.L. 682, No. 284 § 618	1. The policy shall contain a reinstatement of the policy for nonpayment of premiums provision and include the conditions of the reinstatement. 2. Application/evidence of insurability may be required.
	NOTICE OF CLAIM	40 P.S. § 753(a)(5) P.L. 682, No. 284 § 618	1. The policy shall contain a notice of claim provision that provides for written notice of the claim by the policyholder within 20 days after the occurrence or commencement of any loss covered by the policy, or as soon thereafter as is reasonably possible. 2. The provision shall contain an address to which the policyholder shall submit the notice of claim.
	CLAIMS FORMS	40 P.S. § 753(a)(6) 40 P.S. § 991.1202 40 P.S. § 991.1205 P.L. 682, No.284 § 618	The policy shall contain a claim forms provision which provides the following: 1. The insurer, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. 2. If such forms are not furnished within fifteen (15) days after such notice, the claimant shall be deemed to have complied with the requirements of the policy as to proof of loss.
	PROOF OF LOSS	40 P.S. § 753(a)(7) P.L. 682, No. 284 § 618	1. The policy shall contain a proof of loss provision and include the conditions of the provision. 2. The provision shall provide that notice to the insurer be made within 90 days of the date of such loss. 3. The provision shall also provide that failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time.
	TIME OF PAYMENT OF CLAIMS	40 P.S. § 753(a)(8) P.L. 682, No. 284 § 618	The policy shall contain a time of payment of claims provision which shall provide for the immediate payment upon receipt of written proof of loss.
	PAYMENT OF CLAIMS	40 P.S. § 753(a)(9) P.L. 682, No. 284 § 618	The policy shall contain a payment of claims provision that includes conditions for payment of claims in the event where there is no beneficiary designation.
	PHYSICAL EXAMINATIONS	40 P.S. § 753(a)(10) 31 Pa. Code § 89a. 125 P.L. 682, No. 284 § 618	1. The policy shall contain a physical examination provision. 2. The provision shall indicate that the insurer, at its own expenses, shall have the right and opportunity to examine the person of the insured when and as often as it may reasonable require during the pendency of a claim. The initial certification by a Licensed Health Care Practitioner may not be rescinded and additional examinations/assessments may not occur until after the expiration of the 90-day certification period.
	LEGAL ACTIONS	40 P.S. § 753(a)911) P.L. 682, No. 284 § 618	1. The policy shall contain a legal actions provision. The provision shall indicate that no action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty (60) days after written proof of loss has been furnished in accordance with the requirements of this policy. 2. In addition, the provision shall indicate that no such action shall be brought after the expiration of three (3) years after the time written proof of loss is required to be furnished.
	MISSTATEMENT OF AGE	40 P.S. § 753(b)(2) & § 754 P.L. 682, No. 284 § 618 & § 619 31 Pa. Code § 88.41	The policy shall contain a misstatement of age provision providing that the amount payable shall be such as the premiums would have purchased at the correct age.

	OTHER INSURANCE WITH THIS INSURER AND OTHER INSURERS	40 P.S. § 753(B)	Sets forth requirements.
	CONFORMITY WITH STATE STATUTES	40 P.S. § 753(B)(9)	All provisions of this policy must conform with State Statutes.
BENEFIT PROVISIONS AND STANDARDS			
	POLICY DEFINITIONS	31 Pa. Code § 89a.103 & 104 31 Pa. Code § 89a.107 & 125 26 U.S.C.A. § 7702B(c)(2) 26 U.S.C.A. § 7702(c)(1) 40 P.S. § 991.1101(a)(7) 40 P.S. § 991.1103 & 1201 IRS Notice 9731	The policy definitions must contain at least the minimum language of the regulations. Thereafter, the company may add more liberal language in addition to the required minimum language.
	BENEFIT STANDARDS	31 Pa. Code § 89a.105(b) 31 Pa. Code § 89a.106 31 Pa. Code § 89a.107(f)(e) 31 Pa. Code § 89a.111 & 112 31 Pa. Code § 89a.123, 124, 125 40 P.S. § 991.1105	The policy provisions shall comply with all the standards provided, including: 1. A section captioned “Eligibility for the Payment of Benefits” is required. 2. A section titled “Limitations or Conditions on Eligibility for Benefits” is required of any limitations/conditions apply. 3. Benefit triggers, pre-existing requirements and the fact that services must be qualified LTC service shall be addressed.
	PRE-EXISTING CONDITIONS	31 Pa. Code § 88.51 & § 88.52 31 Pa. Code § 89a.107 40 P.S. § 753(a)(2) 40 P.S. § 991.1105 & 1107 P.L. 682, No. 284 § 618(a)(2)	Covered or Excluded?
	HOME HEALTH & COMMUNITY CARE STANDARDS	40 P.S. 991.1101 et. seq. 31 Pa. Code § 89a.111	If included, can be no less than 50% of the facility benefit.
	INFLATION PROTECTION	31 Pa. Code § 89a.112	Must be offered to the policyholder/certificate holder. Minimum requirements established.
	NONFORFEITURE REQUIREMENTS	31 Pa. Code § 89a.123	Required to be offered to the policyholder/certificate holder. Minimum requirements established. If insured does not elect nonforfeiture, they automatically receive contingent nonforfeiture benefits.
	EXTENSION OF BENEFITS AND TERMINATION OF COVERAGE	40 P.S. § 752 31 Pa. Code § 88.41 (6 – 9) 31 Pa. Code § 89a.105 31 Pa. Code § 89a.106 40 P.S. § 991.1105	Disclosure of when insurance terminates required. Unintentional lapse – insurer must provide “Notice Before Lapse or Termination”. Insured may name a third party to receive such notice. Notice cannot be given until 30 days after a premium is due and unpaid. Extension of coverage is required if insured was institutionalized while policy was in force, then lapses during institutionalization.
	EXCLUSIONS AND LIMITATIONS	31 Pa. Code § 89a.105 & 107 & 122 31 Pa. Code § 89a.126(10) 40 P.S. § 991.1107 & § 991.1105	Cannot limit or exclude coverage by type of illness, by type of treatment, by medical condition or accident unless permitted in these cites.
	DISCLOSURE: PERSON(S) INSURED	31 Pa. Code § 88.31 31 Pa. Code § 113.81 40 P.S. § 752	Disclose who is insured / named insured.
	DISCLOSURE: RATE INCREASE	31 Pa. Code § 89a.108	45-day notification required.
	DISCLOSURE: COPY OF REQUIRED DISCLOSURE OF RATING PRACTICES TO CONSUMERS	31 Pa. Code § 89a.108	Sets forth requirements.
	REPLACEMENT/PRE-EXISTING OR PROBATIONARY PERIODS	31 Pa. Code § 89a.122	If a LTC policy or certificate replaced another LTC policy or certificate, the replacing insurer shall waive time periods applicable to pre-existing conditions and probationary periods in the new LTC policy for similar benefits to the extent that similar exclusions have been satisfied under the original policy.
			Can’t establish a new waiting period when existing

	REPLACEMENT/WAITING PERIOD	40 P.S. § 991.1105	coverage is converted or replaced by a new or other form within the same Company – except in respect to any increase in benefits voluntarily selected by the insured individual or group policyholder.
	CONVERSION/CONTINUATION	31 Pa. Code § 89a.105	Sets forth requirements.
	REPLACEMENT OF GROUP POLICY	31 Pa. Code § 89a.105	Sets forth requirements.
	MISCELLANEOUS PROVISIONS	40 P.S. § 991.1101 – § 991.1115	<ol style="list-style-type: none"> 1. Alternative Plan of Care is permitted. Alternative Plan of Care must provide the insured the ability at any time to discontinue the Alternative Plan of Care and resume the benefits provided in the policy. 2. Care Coordination is permitted. It must be at the option of the insured and cannot be a mandatory requirement. All benefits provided in the policy must be available to insureds whether or not care coordination is used. Disclosure must be made that the policy contains care coordination requirements. The policy must identify the appeal process and any other requirements relating to care coordination. 3. References to Tax Qualification should not be made in Non-Tax Qualified Policies.
REQUIREMENTS FOR APPLICATION			
	FRAUD LANGUAGE	18 Pa. C.S.A. § 4117	Applications for insurance must contain the required Pennsylvania fraud language.
	MEDICAL QUESTIONS APPLICATION/POST CLAIMS UNDERWRITING	31 Pa. Code § 88.121 31 Pa. Code § 89.12 31 Pa. Code § 89.72 31 Pa. Code § 89a.110	<ol style="list-style-type: none"> 1. Applications shall contain clear and direct questions by the insurer permitting answers by the applicant only in the form of direct statements of known facts. 2. Applications may not contain questions or representations based on indefinite or ambiguous terms(i.e.: Questions should be designed to elicit information as to whether the applicant has been medically diagnosed and/or advised by a member of the medical profession) 3. Opinion-type questions regarding the past or present health of the applicant should provide that the applicant answer to the best of his knowledge. 4. Except Guaranteed Issue Policy Forms, the application form must contain clear and unambiguous questions designed to ascertain the health condition of the applicant. 5. If the application questions whether the applicant has had medication prescribed by a physician, it must also ask the applicant to list the medication. 6. The Policy or Certificate may not be rescinded if the medication listed in the application were known by the insurer or should have been known at the time of the application to be directly related to the medical condition for which coverage would otherwise be denied.
	FRATERNAL BENEFIT SOCIETY		Refer to Fraternal Benefit Society Checklist
	APPLICATION TERMINOLOGY & NOTICE REQUIREMENTS	31 Pa. Code § 88.53 & 88.121 31 Pa. Code § 89.12 & 89.72 31 Pa. Code § 89a.106(a)(2) 31 Pa. Code § 89a. 108 31 Pa. Code § 89a.113 Title 18 Crimes and Offenses 4117(k)(1) 31 Pa. Code § 89b.11	<ol style="list-style-type: none"> 1. The application or enrollment form must clearly indicate the payment plan selected by the applicant. 2. Requirements/questions to elicit whether, as of the date of the application, the applicant has other insurance policies related to Long Term Care insurance currently in force.
	REQUIRED QUESTIONS	31 Pa. Code § 89a.113	Questions required to be answered by applicant and producer, if producer is involved in the sale.
	REPLACEMENT COVERAGE & NOTICE REQUIREMENTS	31 Pa. Code § 88.101 31 Pa. Code § 89a. 113 40 P.S. § 991.1103	Requirements for replacement coverage and notice of replacement.
	UNDERWRITING	40 P.S. § 991.1107	Insurer may use an application to elicit the complete health history of the applicant and on the basis of such answers, underwrite the applicant in accordance with the insurer's established underwriting standards.
	INFLATION PROTECTION REJECTION STATEMENT/ SIGNATURE REQUIREMENT	31 Pa. Code § 89a.112	Rejection statement with signature line required.
	CAUTION	31 Pa. Code § 89a.110	Must be set out conspicuously and in close conjunction to

			the applicant's signature block on the application for a LTC policy or certificate.
ADDITIONAL FORMS REQUIRED			
	OUTLINE OF COVERAGE	31 Pa. Code § 89.783(e) 31 Pa. Code § 89a.126 31 Pa. Code § 89a.107(g)&(h)	Filing must include an outline of coverage. It shall have: 1. A unique form number that is not the same as the policy number. 2. Standard Format Notice – This is not a Med Supp. 3. A disclosure statement must appear, stating that the policy is intended to be or not intended to be a qualified insurance product.
	APPENDIX B	31 Pa. Code § 89a.108(b), (c) 31 Pa. Code § 89a.120(a)(3) & 121 31 Pa. Code § 89a. Appendix B	LTCI Personal Worksheet required in format provided.
	APPENDIX C	31 Pa. Code § 89a.121(e) 31 Pa. Code § 89a. Appendix C	Things You Should Know Before Buying LTCI required in format provided. Must be given at same time Personal Worksheet is provided to the applicant. Must be in 12 point type.
	APPENDIX D	31 Pa. Code § 89a.121(f) 31 Pa. Code § 89a. Appendix D	LTCI Suitability Letter required in format provided or substantially similar language conveying same content.
	APPENDIX F	31 Pa. Code § 89a.108 (b), (c) 31 Pa. Code § 89a. Appendix F	Potential Rate Increase Disclosure form required in format provided.
	DISCLOSURE / SHOPPER'S GUIDE	31 Pa. Code § 89a. 127	Producer shall deliver the shopper's guide prior to the presentation of an application or enrollment form. Direct Response Solicitations must present a shopper's guide with an application or enrollment form.
	NOTICE: REPLACEMENT	31 Pa. Code § 88.102 & 103	Notice to applicant regarding replacement of accident and sickness insurance.

ELECTRONIC TRANSACTIONS ACT

****NOTICE REGARDING FILINGS SUBMITTED FOR ELECTRONIC TRANSACTIONS:

Electronic commerce is expanding rapidly and is an engine for economic growth in this Commonwealth and the United States. State laws recognizing the validity and enforceability of electronic signatures, records and writings are important to the continued expansion of electronic commerce. The rights of consumers under existing laws need to be protected and preserved; therefore the insurer must comply with the Unconsolidated Pennsylvania Statutes, Title 73 (Trade and Commerce), Electronic Transactions Act.

X	REVIEW REQUIREMENTS	REFERENCE	COMMENTS
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LONG TERM CARE PARTNERSHIP PROGRAM CERTIFICATION

Act 40 of 2007: On September 28, 2007, the Secretary of the Department of Public Welfare (DPW) submitted a State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services for approval of Pennsylvania's qualified long-term care insurance partnership (Qualified Partnership). The SPA was approved on December 19, 2007, with an effective date of the Qualified Partnership of July 1, 2007. For information regarding the Long Term Care Partnership Program, please refer to Pa. Bulletin, Notice 2008-05 (38 Pa.B. 1907). This information can be found on the Department website at www.ins.state.pa.us. Forms to be completed, and additional information regarding the Long Term Care Partnership Program, can be found on the above referenced website under the Accident & Health Checklists - Long Term Care Partnership Program. Once a Carrier has a filing approved for use, the contact information for that carrier will be placed on a listing on the Department website. This listing is accessible by the general public.

	ISSUER CERTIFICATION FORM	Pa. Bulletin, Notice 2008-05, Attachment A Send Completed copy of all pages of the "PA Issuer Certification Form" found on the PA Insurance Department Website.	Under the DRA, at 42 U.S.C. § 1396p(b)(5)(B)(iii), the Insurance Commissioner may certify that policies identified as Qualified Partnership Policies meet certain consumer protection requirements set forth in the DRA. To provide to the Insurance Commissioner the information necessary to provide such certification, issuers of long-term care insurance policies identified as Qualified Partnership Policies may provide the Department information and a certification as described in Attachment A which is available on the Department's web site.
	LISTING OF FORMS AND FORM #	Pa. Bulletin, Notice 2008-05, Attachment A Send Completed copy of all pages of the "PA Issuer Certification Form" found on	1. Policy form number(s) (or other identifying information, such as certificate series) for policies covered by this Issuer Certification Form. 2. All Policies must be Tax qualified and comprehensive. 3. Specimen copies of each of the above policy forms, including any riders and endorsements, shall be provided with the filing.

		the PA Insurance Department Website. Act 40 of 2007, Section 1103	4. Previously approved LTC Policies and Forms presented for Certification shall be presented with disclosure of the Department's approval stamp as part of the form.
	INFLATION PROTECTION RIDERS	Pa. Bulletin, Notice 2008-05, Attachment A Send Completed copy of all pages of the "PA Issuer Certification Form" found on the PA Insurance Department Website.	All Riders that will be used to comply with the above requirements must be listed and a copy included with filing. If the rider has been previously approved, include a copy of the rider with the Department's approval stamp shown on the form. Identify the policy number the rider was approved to be used with.
	INFLATION PROTECTION REQUIREMENTS	Pa. Bulletin, Notice 2008-05 DRA at 42 U.S.C. § 1396p(b)(1)(A)(iii)(IV) 31 Pa. Code § 89a.112 Send Completed copy of all pages of the "PA Issuer Certification Form" found on the PA Insurance Department Website.	Inflation Protection must meet the requirements stipulated by the Deficit Reduction Act. On a separate page, stating the full corporate or legal name of the company, association, exchange or society, provide the Department with an explanation of how Inflation Protection Offers identified in the filing will be used by Issue Age of the Insured. The explanation must list compliance by issue age. The following is an example of acceptable Inflation Protection by issue age: 1. <u>Issue age 60 and under</u> : The policy must be <i>issued</i> with Annual <i>Compound</i> Inflation that automatically increases annually at a rate equal to the Consumer Price Index (CPI) or at a fixed compound rate of not less than 3%. Note: 31 Pa. Code Section 89a.112 requires an offer of a 5% Compound annual inflation protection be made on all long term care policies offered in Pennsylvania. 2. <u>Issue Ages 61 – 75</u> : The policy must be <i>issued</i> with some form of inflation protection –either compound or simple inflation protection at a rate equal to the Consumer Price Index (CPI) or at a fixed rate not less than 3%. 3. <u>Issue Age 76+</u> : Inflation protection must be <i>offered</i> . 4. <u>All issue ages</u> : 5% annual compound (lifetime) option must be <i>offered</i> . Note: A future or guaranteed purchase option for inflation protection does <i>not</i> meet the requirements of the Deficit Reduction Act except for Applicant's age 76+. Note: Inflation Protection with a limited term (that is, 10-years or 20-years) does <i>not</i> meet the requirements of the Deficit Reduction Act.
	IMPORTANT POLICY LTCP STATUS NOTICE	Pa. Bulletin, Notice 2008-05, Attachment B	A copy of Attachment B on Issuer letterhead should be submitted with filing.
	LTCP PROGRAM POLICY SUMMARY	Pa. Bulletin, Notice 2008-05, Attachment C	A copy of Attachment C on Issuer letterhead should be submitted with filing.
	REQUIREMENT FOR POLICY EXCHANGES	Act 40 of 2007 (40-39-710.1) 40 P.S. § 991.1111	The Insurer must offer to exchange any policy or certificate issued between February 8, 2006 and the effective date of the State Plan Amendment with a Qualified LTC Partnership Program policy.
X	REVIEW REQUIREMENTS	REFERENCE	COMMENTS
ACTUARIAL CERTIFICATION			
	STATEMENTS TO BE CERTIFIED IN ACTUARIAL CERTIFICATION	31 Pa. Code § 89a.109(b)(2)(i) 31 Pa. Code § 89a.109(b)(2)(ii) 31 Pa. Code § 89a.109(b)(2)(iii)	A statement that the initial premium rate schedule is sufficient to cover anticipated costs under moderately adverse experience and that the premium rate schedule is reasonably expected to be sustainable over the life of the form with no future premium increases anticipated. A statement that the policy design and coverage provided have been reviewed and taken into consideration. A statement that the underwriting and claims adjudication processes have been reviewed and taken into consideration. A complete description of the basis for contract reserves that are anticipated to be held under the form. To include the following: Sufficient detail or sample calculations provided so as to have a complete depiction of the reserve

		31 Pa. Code § 89a.109(b)(2)(iv)	amounts to be held. A statement that the assumptions used for reserves contain reasonable margins for adverse experience. A statement that the net valuation premium for renewal years does not increase (except for attained-age rating where permitted). A statement that the difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses; or if this statement cannot be made, a complete description of the situations where this does not occur.
		31 Pa. Code § 89a.109(b)(2)(v)	A statement that the premium rate schedule is not less than the premium rate schedule for existing similar policy forms also available from the insurer except for reasonable differences attributable to benefits and a comparison of the premium schedules for similar policy forms that are currently available from the insurer with an explanation of the differences.
	NET-TO-GROSS TEST	31 Pa. Code § 89a.109(b)(2)(iv)	The following information must be provided to show that the requirement that the present value of the difference between the renewal-year gross premiums and the renewal-year net valuation premiums exceeds the present value of the renewal expenses is met. 1.) A table that shows the present value of the gross premiums in renewal years, the present value of the net valuation premiums in renewal years, and the present value of the expenses in renewal years using issue ages 25, 30, 35, 40, 45, 50, 55, 60, 65, 70 and 75. The table should show values for each age for each combination of available benefit periods, elimination periods, inflation options (including the no inflation option) and HHC and Assisted Living Facility options of the nursing home daily maximum. 2.) Estimate the percent of expected sales that would come from pricing cells that fail this test. 3.) Include the expected distributional weight for each cell in the table.
ACTUARIAL MEMORANDUM			
	SCOPE AND PURPOSE		The scope and purpose of the rate filing must be clearly indicated.
	GENERAL DESCRIPTION		A general description of the policy and benefits included either within the policy or by optional rider should be provided and include the following items: Issuer name; Pennsylvania form number of the policy and any optional riders; Type of policy (i.e., comprehensive, nursing home, home health care, tax-qualified, non-tax qualified, etc.); Benefit description; Renewal provisions; Marketing approach; Underwriting method; Pre-existing condition exclusion; Issue-age limits; Premium basis (i.e., attained age or issue age); The date the form being submitted was approved by the issuer's domiciliary state (if it was filed in that state).
	METHODOLOGY AND ASSUMPTIONS	31 Pa. Code § 89a.109(c) 31 Pa. Code § 89a.129 31 Pa. Code § 89a.109(c) 31 Pa. Code § 89a.129	The methodology and assumptions used to determine the rates should be provided and include the following items: The general rate methodology used to calculate the rates; The degree to which provisions for inflation trends, aging, and the wearing-off of the effects of selection have been provided for in the pricing; The commission schedule which must be in compliance with Section 89a.129 of Title 31; Actuarial assumptions, including: 1. Voluntary lapse rates and the basis for choosing the lapse rates. 2. Mortality assumptions. 3. Morbidity assumptions, including the source of the assumptions and the effects of selection year by year. 4. Expected distribution of insureds by type of inflation protection purchased. 6. Expected percentage of policyholders that will choose various optional riders to be offered with the policy. 7. Interest rate used to discount cash flows. 8. Expense assumptions by general expense application categories (i.e., percent of premium, cost per policy, percent of claims). 9. Average annual premium.
	PRODUCER COMPENSATION LIMITS	31 Pa. Code § 89a.129	Commission or other compensation to a producer is limited to a first year commission or other compensation to an amount not greater than 50% of the first year premium. Renewal compensation for the next 5 subsequent years may not exceed 10% of the renewal

			premium. Replacement or Duplication of coverage shall be limited to the renewal compensation payable.
RATE TABLE			
	RATE TABLE		A rate table showing the proposed rates for the state must be provided. This table should include all of the following: a.) Complete Pennsylvania form number for the policy and all riders to be offered with the policy, b). All applicable rating factors such as area, smoker/non-smoker, standard/substandard, modal, etc., c.) Policy fees, if applicable, d.) Notation indicating if rates are based on issue age or attained age.
RATE ADJUSTMENTS			
ACTUARIAL CERTIFICATION FOR FORMS ISSUED AFTER 09/16/2002			
	STATEMENTS TO BE CERTIFIED IN ACTUARIAL CERTIFICATION	31 Pa. Code § 89a.118(b)(2)(i) 31 Pa. Code § 89a.118(b)(2)(ii)	If the requested premium rate schedule increase is implemented and the underlying assumptions, which reflect moderately adverse conditions, are realized, no further premium rate schedule increases are anticipated. The premium rate filing is in compliance with this section.
ACTUARIAL MEMORANDUM FOR FORMS ISSUED ON OR AFTER 09/16/2002			
	STATEMENT OF PURPOSE		A statement that the purpose of the filing is to request a rate revision (increase, decrease, change in methodology) and demonstrate compliance with loss ratio standards. The reason for the rate revision must be clearly described.
	SCOPE OF RATE REVISION		The reason for the rate revision must be clearly described. The scope of the rate revision must be clearly indicated – whether it applies uniformly or varies by area, age, etc. If there are variations, a strong justification based on actual company experience must be provided. The current average annual premium and expected average annual premium after the rate increase. The effective date and timing of the rate revision should be described.
	GENERAL DESCRIPTION		A general description of the policy and benefits included either within the policy or by optional rider should be provided and include the following items: Issuer name; Pennsylvania form number of the policy and any optional riders; Type of policy (i.e., comprehensive, nursing home, home health care; tax-qualified, non-tax qualified), Benefit description, Renewal provision, Marketing approach, Underwriting method, Pre-existing condition exclusion, Issue-age limits, Premium basis (e.g., attained age or issue age).
	NUMBER OF POLICIES		The number of policies in force for the policy form(s) in Pennsylvania and nationally must be shown.
	HISTORY OF RATE CHANGES		The history of rate changes in Pennsylvania and nationally for the form(s) must be provided. The history needs to include the implementation dates and amount of change. If the rate revisions were not applied uniformly across all rating factors, this should be noted.
	LIFETIME PROJECTIONS WHEN INCREASE IS NOT AN EXCEPTIONAL INCREASE	31 Pa. Code § 89a.118(b)(3)(i) 31 Pa. Code § 89a.118(b)(3)(i)(b)	Lifetime projections of earned premiums and incurred claims based on the filed premium rate schedule increase; and the method and assumptions (morbidity, mortality, voluntary lapse, trend) used in determining the projected values, including reflection of assumptions that deviate from those used for pricing other forms currently available for sale. The projections shall include the development of the lifetime loss ratio.
	EXHIBITS OF HISTORICAL EXPERIENCE	31 Pa. Code § 89a.118(c)(2)(i) 31 Pa. Code §	Two exhibits, one for the entire nation and one for Pennsylvania alone, of historical experience by calendar year that includes the following information for each year since policy inception: i. Earned premiums, separated into premium earned at original rate level and premium earned at each rate

		89a.118(c)(2)(iii)	increase level, ii. Paid claims, iii. Claim reserves (separated into reported and unreported accrued claim liabilities), iv. Incurred claims, v. Active life reserves held (as of a recent valuation date).
EXHIBITS OF PROJECTED EXPERIENCE		31 Pa. Code § 89a.118(c)(2)(ii) 31 Pa. Code § 89a.118(c)(2)(iv)	Two exhibits, one for the entire nation and one for Pennsylvania alone, of projected future calendar year experience for at least 25 years which include: i. Earned premiums, separated into premium earned at original rate level and premium earned at each rate increase level. ii. Incurred claims.
LOSS RATIO		31 Pa. Code § 89a.118(c)(2)(i) 31 Pa. Code § 89a.118(c)(2)(ii) 31 Pa. Code § 89a.118(c)(2)(iii) 31 Pa. Code § 89a.118(c)(2)(iv) 31 Pa. Code § 891.118(c)(3)	The increase shall be calculated so that the sum of the accumulated value of incurred claims, without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of 58% of the accumulated and discounted original premium plus 85% of the accumulated and discounted premium from non-exceptional rate increases plus 70% of the accumulated and discounted exceptional increase premium.
INTEREST RATE		31 Pa. Code § 89a.118(c)(4)	The calculation of the present and accumulated values used in the loss ratio calculation will use the maximum valuation interest rate for contract reserves as specified in Chapter 84a (relating to minimum reserve standards for individual and group health and accident insurance contracts). The actuary shall disclose as part of the actuarial memorandum the use of appropriate averages.
DISCLOSURE OF WHY INCREASE IS NECESSARY		31 Pa. Code § 89a.118(b)(3)(iii)	Disclosure of the analysis performed to determine why a rate adjustment is necessary, which pricing assumptions were not realized and why, and what other actions taken by the company have been relied on by the actuary.
DISCLOSURE OF RESERVES		31 Pa. Code § 89a.118(b)(3)(ii)	Disclosure of how reserves have been incorporated in this rate increase whenever the rate increase will trigger contingent benefit upon lapse.
POLICY DESIGN AND CLAIMS ADJUDICATION STATEMENT		31 Pa. Code § 89a.118(b)(3)(iv)	A statement that policy design, underwriting and claims adjudication practices have been taken into consideration.
RATE COMPARISON STATEMENT		31 Pa. Code § 89a.118(g)(4)	A statement that renewal premium rate schedules are not greater than new business premium rate schedules except for differences attributable to benefits, unless sufficient justification is provided to the Commissioner.
INFORMATION TO BE FILED WHEN MAJORITY OF POLICIES ARE ELIGIBLE FOR CONTINGENT NONFORFEITURE		31 Pa. Code § 89a.118(g)(1) 31 Pa. Code § 89a.118(g)(2)	A plan for improved administration and/or claims processing designed to eliminate the potential for further deterioration of the policy form requiring further premium rate schedule increases, or a plan that demonstrates that appropriate administration and claims processing have been implemented or are in effect. The original anticipated lifetime loss ratio, and the premium rate schedule increase that would have been calculated according to subsection (c) had the greater of the original anticipated lifetime loss ratio or 58% been used in the calculations described in 31 Pa. Code 89a.118(c)(2)(i) and (iii).
INFORMATION TO BE FILED WHEN RATE INCREASE REQUESTED IS NOT THE FIRST REQUESTED FOR FORM AND MAJORITY OF POLICIES ARE ELIGIBLE FOR CONTINGENT BENEFIT UPON LAPSE		31 Pa. Code § 89a.118(h)	Provide the projected lapse rates and the past lapse rates during the 12 months following each increase.
RATE TABLE		40 P.S. § 3803(c)	One copy of the current rate table must be provided with the filing. Two copies of a rate table showing the proposed rates for the state must also be provided. For electronic submissions, only one copy of the proposed rate table is required. The proposed rate table should include all of the following: a. Complete Pennsylvania form number

			<p>b. All applicable rating factors such as area, standard/substandard, modal, and spousal discounts, etc.</p> <p>c. Policy fee, if applicable</p> <p>d. Notation indicating if rates are based on issue age or attained age</p>
ACTUARIAL MEMORANDUM FOR FORMS ISSUED PRIOR TO 09/16/2002			
	DEMONSTRATION OF RATE CHANGES		An actuarial memorandum that demonstrates that the proposed rates are expected to comply with the loss ratio standards of Section 89.117(b) of Title 31 (i.e. produce an expected loss ratio of 60% over the life of the policy).
	STATEMENT OF PURPOSE		A statement that the purpose of the filing is to request a rate revision (increase, decrease, change in methodology) and demonstrate compliance with loss ratio standards.
	GENERAL DESCRIPTION		A general description of the policy and benefits should be provided and include the following items: Issuer name; Form number; Type of policy (i.e., facility, home health, or comprehensive), Benefit description, Disclosure of whether or not the policy form is open or closed and if closed the date it was closed, The date the rate request being submitted was approved by the issuer's domiciliary state (if it was filed in that state). The name, address, and phone number of an insurance company representative who will be available to answer questions relating to the rate revision.
	SCOPE OF RATE REVISION		The reason for the rate revision must be clearly described. The scope of the rate revision must be clearly indicated – whether it applies uniformly or varies by area, age, etc. If there are variations, a strong justification based on actual company experience must be provided. The current average annual premium and expected average annual premium after the rate increase. The effective date and timing of the rate revision should be described.
	HISTORY OF RATE CHANGES	31 Pa. Code § 89a.117	The history of rate changes in Pennsylvania and nationally for the form(s) must be provided. The history needs to include the implementation dates and amount of change. If the rate revisions were not applied uniformly across all rating factors, this should be noted.
	NUMBER OF POLICIES		The number of policies in force for the policy form(s) in Pennsylvania and nationally must be shown.
	METHODOLOGY AND ASSUMPTIONS	31 Pa. code § 89a.117	The methodology and assumptions used to determine the new rates should be provided and include the following items: The general rate methodology used to calculate the revised rates, The basis of any change in the morbidity assumption, The voluntary lapse rates assumed, The mortality rates assumed, The interest rate used to discount cash flows A description of the original pricing assumptions, including: 1) Voluntary lapse rates, 2) Mortality assumptions, 3) Sample claim costs, 4) Interest rate used to discount cash flows. A description of any other change in the original pricing assumptions that materially affects the requested rate revision.
	EXHIBITS OF HISTORICAL EXPERIENCE	31 Pa. Code § 89a.117	Two exhibits, one for the entire nation and one for Pennsylvania alone, of historical experience by calendar year that includes the following information for each year since policy inception: i. Earned premiums. ii. Paid claims. iii. Claim reserves (separated into reported and unreported accrued claim liabilities). iv. Incurred claims. v. Active life reserves held (as of a recent valuation date).
	EXHIBITS OF PROJECTED EXPERIENCE	31 Pa. Code § 89a.117	Four exhibits, two for the entire nation and two for Pennsylvania alone, of projected future calendar year experience. i. Two calendar year projections of future experience (for at least 25 years) on a nationwide basis must include: 1) Earned premiums, 2) Incurred claims, 3) The first national projection must assume the requested rate change is

			<p>granted, 4) The second national projection must assume no rate change occurs.</p> <p>ii. Two projections of future experience (for at least 25 years) for Pennsylvania policyholders must include: 1) Earned premiums, 2) Incurred claims, 3) The first Pennsylvania projection must assume the requested rate change is granted, 4) The second Pennsylvania projection must assume no rate change occurs.</p>
	LOSS RATIO INFORMATION	31 Pa. Code § 89a.117	<p>The exhibits of historical and projected experience must demonstrate that the following loss ratio standards are expected to be met.</p> <p>The sum of accumulated past incurred claims plus the present value of projected future claims divided by the sum of accumulated past earned premiums plus projected future earned premiums must equal or exceed the 60% loss ratio required by Section 89.117 (b) of Title 31.</p> <p>If the anticipated loss ratio are expected to differ by age or age band or other rating factors, separate demonstrations of loss ratio compliance must be included by age band or rating factor as applicable.</p>
	ACTUARIAL CERTIFICATION		<p>An actuarial certification should state that, to the best of the actuary's knowledge and judgment, the following items are true with respect to the filing:</p> <p>i. The assumptions present the actuary's best judgment as to the expected value for each assumption and are consistent with the issuer's business plan at the time of the filing,</p> <p>ii. The anticipated lifetime loss ratio will exceed the applicable ratio,</p> <p>iii. The filing was prepared based on the current standards of practice as promulgated by the Actuarial Standards Board including the data quality standard of practice,</p> <p>iv. The filing is in compliance with applicable laws and regulations in the state,</p> <p>v. The rates are reasonable in relationship to the benefits.</p>
	RATE TABLE	40 P.S. § 3803(c)	<p>One copy of the current rate table must be provided with the filing. Two copies of a rate table showing the proposed rates for the state must also be provided. For electronic submissions, only one copy of the proposed rate table is required. The proposed rate table should include all of the following:</p> <p>a. Complete Pennsylvania form number</p> <p>b. All applicable rating factors such as area, standard/substandard, modal, and spousal discounts, etc.</p> <p>c. Policy fee, if applicable</p> <p>d. Notation indicating if rates are based on issue age or attained age</p>

Extra/Additional information may be needed at a later date.

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