



INFORMATIONAL MEMORANDUM

OIR-07-11M

ISSUED

July 30, 2007

Office of Insurance Regulation

Kevin M. McCarty

Commissioner

** REVISED **

All Life and Health Insurers

Long-Term Care Insurance

Adoption of amendments to Chapter 690-157, Florida Administrative Code

The purpose of this memorandum is to notify Florida Life and Health insurers of changes to Chapter 690-157, Part II, Florida Administrative Code, and of the creation of Part III, Long-Term Care Insurance Partnership Plans.

Effective August 1, 2007, the following applies to new and existing Long-Term Care Insurance policies under the new Long-Term Care Partnership Program:

1. An insurer may offer policyholders or certificate holders (hereafter "policyholders") the option of exchanging an existing Long-Term Care contract for a new Long-Term Care contract.
2. An insurer must provide necessary and sufficient training for its producers in understanding Long-Term Care Partnership policies prior to any solicitations, sales or negotiations, and maintain records of such training.
3. Establishes standards for approved Long-Term Care Partnership Program policies and certificates (hereafter "policies") with an effective date of on or after January 1, 2007.
 - Requires that Partnership policy forms and rates be filed and approved;
 - Requires that the policy be a qualified long-term care insurance policy under the provisions of Section 627.9404(12), F.S.;
 - Establishes eligibility for reciprocal agreements for policies purchased outside of Florida;
 - Establishes standards for inflation protection;

- Requires insurers to provide a disclosure notice. The insurer may use Form [OIR-B2-1786](#) (1/2007) adopted and incorporated by reference. If language is modified, the notice shall be filed for approval with the Office of Insurance Regulation;
- Requires insurers to notify policyholders, in writing, when an action will result in the loss of Partnership status, how this action will impact their policy and advise how to retain Partnership status, if possible;
- Requires that any insurer issuing or marketing policies that qualify as Partnership policies notify all of its policyholders with existing Long-Term Care coverage issued on or after March 1, 2003, of the benefits associated with a Partnership policy and offer the optional exchange, along with required disclosures;
- Defines inflation coverage limitations;
- Establishes insurer reporting requirements to the Health and Human Services Secretary;
- Establishes requirement that insurers provide to any insured requesting such information a copy of Form [OIR-B2-1781](#) (12/06), Approved Long-Term Care Partnership Program Policy Summary.

This notice is not intended to be a comprehensive analysis of the rule. You are responsible for reading the rule and taking any necessary steps to be in compliance. The full text of Chapter 690-157, Florida Administrative Code, can be found at: <http://www.flrules.org>.

If you have any questions about changes in Rule 690-157, please contact Robin Hall, Office of Insurance Regulation, at (850) 413-5198 or Robin.Hall@fldfs.com. If you have questions on producers training, please contact the Bureau of Licensing at (850) 413-3137. A copy of the Producer Training Requirement Outline can be found at: <http://www.fldfs.com/Agents/Memos/DFS-10-2007-07-20-07.pdf>. For questions on Medicaid Eligibility and Asset Disregard, please contact the ACCESS Call Center at (866) 762-2237 and for questions regarding the State Plan Amendment, please contact Susan Rinaldi, Agency for Healthcare Administration, at (850) 487-3028 or rinaldis@ahca.myflorida.com.