

69O-157.1100 Requirements for Exchange of Coverage.

(1)(a) An insurer may offer policyholders or certificateholders the option to exchange an existing Long-Term Care contract for a new Long-Term Care contract.

(b) An exchange occurs when an insurer offers an existing long-term care policyholder or certificateholder the option to replace an existing policy with a different long-term care policy or certificate, and the policyholder or certificateholder accepts the offer to terminate the existing contract and accepts the new contract.

(2)(a) Any offer shall be made to all policyholders or certificateholders on a nondiscriminatory basis.

(b) An exchange offer shall be deferred to all policyholders or certificateholders that are currently eligible for benefits, within an elimination period on a claim, or who would not be eligible to apply for coverage due to issue age limitations under the new contract, until such time when such condition expires.

(3)(a) If the new coverage has the actuarial value of benefits equal or lesser than the actuarial value of benefits of the existing coverage, based on constant morbidity and uniform pricing assumptions as determined on the date of issue of a new insured determined using the same underwriting class and issue age, such new coverage shall be offered on a nonunderwritten basis.

(b) If the new coverage has the actuarial value of benefits exceeding the actuarial value of benefits of the existing coverage, the insurer shall apply consistent new business underwriting for the increased benefits only.

(4)(a) If the new coverage has the actuarial value of benefits equal or lesser than the actuarial value of benefits of the existing coverage, the rate charged for the new coverage shall be determined using the original issue age and risk class of the insured used in determining the rate of the existing coverage.

(b) If the new coverage has the actuarial value of benefits exceeding the actuarial value of benefits of the existing coverage, the rate charged for the new coverage shall be determined using (4)(a) above for the original level of benefits, increased by the rate for the increased benefits using the then current attained age and underwriting class of the insured for the increased benefits only. All rates charged must be filed and approved with the Office pursuant to Section 627.410(6), F.S., and Rule 69O-149.003, F.A.C.

(c) The new coverage offered shall be on a form that is currently offered for sale in the general market.

(d) In lieu of (a) and (b) above, an insurer may make a filing to the Office for approval to utilize a different issue age for the new contract, or in some other way recognize the policy reserve build-up. Such filing shall demonstrate why the use of the original issue age is inappropriate and that the policy reserve build-up due to the prefunding inherent in the use of an issue age rate basis is credited to the benefit of the insured.

Specific Authority 624.308(1), 626.9611, 627.410(6), 627.9408, FS. Law Implemented 624.307(1), 626.9541, 626.9641, 627.410(6), 627.9402, 627.9407(7), FS. History–
New _____.

69O-157.1155 Producer Training.

Insurers providing Long-Term Care insurance shall maintain records, subject to Office review upon request, that before any producer sells, solicits or negotiates a long-term care insurance policy, that they receive necessary and sufficient training to understand partnership policies and their relationship to public and private coverage for long-term care.

Specific Authority 624.308(1), 626.9611, 627.9407, 627.94075, 927.9408, FS. Law Implemented 624.307(1), 626.9541, 626.9641, FS. History - -New _____.