

Bulletin 2008-02

Agent training - policies issued under qualified state long-term care insurance partnership ("qualified partnership")

February 1, 2008

The purpose of this bulletin is to advise insurers, agents and continuing education providers of agent training, record keeping and education requirements concerning **long term care insurance**, reflecting recent statutory developments.

Background

The Deficit Reduction Act of 2005, Pub. L. 109-17 1 ("the DRA") allows for the expansion of Qualified Partnerships. The DRA and the State Medicaid Director's Letter (SMDL #06-019) dated July 27, 2006, issued by Centers for Medicare & Medicaid Services, require the Ohio Department of Insurance to provide assurance that any producer who sells, solicits or negotiates a policy under a Partnership receives training and demonstrates an understanding of Partnership policies and their relationship to public and private coverage to long-term care.

Agent Training

Ohio Revised Code section 3923.443, effective September 10, 2007, prohibits an individual from selling, soliciting or negotiating long-term care insurance on or after September 1, 2008, unless the individual is authorized as an insurance agent for accident and health or life in accordance with Revised Code section 3905.02, and has completed a one-time training course. Agents are also required to complete ongoing training every 24-month continuing education compliance period thereafter.

Pursuant to Ohio Revised Code section 3923.443, the initial required shall be no less than an eight-hour course, and the ongoing training required shall be no less than a four-hour course. Section 3923.443 also requires that the training consist of combined topics related to long-term care insurance, long-term care services and qualified state long-term care insurance Partnership programs, including, but not necessarily limited to:

- (a) State and federal regulations and requirements and the relationship between qualified state long-term care insurance Partnership programs and other public and private coverage of long-term care services, including Medicaid;
- (b) Available long-term care services and providers;
- (c) Changes or improvements in long-term care services or providers;
- (d) Alternatives to the purchase of private long-term care insurance;
- (e) The effect of inflation on benefits and the importance of inflation protection; and
- (f) Consumer suitability standards and guidelines.
- (g) Any other topics required by the superintendent.

The training must not include any sales or marketing information, materials, or training, other than those required by state or federal law, or that is otherwise specific to an insurer or a specific product.

Accredited by the National Association of Insurance Commissioners (NAIC)

Continuing Education and Reciprocity

The training requirements may be approved as continuing education courses under sections 3905.48 1 to 3905.486 of the Revised Code and any administrative rules adopted there under.

A resident agent may complete these training requirements in any state, provided that the Ohio Superintendent of Insurance prior to the agent taking the course approves the course for long-term care continuing education credits. The satisfaction of these training requirements in any state shall be deemed to satisfy the training requirements in this state for Ohio non-residents.

Insurer Verification of Training and Insurer Record Keeping

Beginning September 1, 2008, insurers must obtain verification that an agent has completed the required initial training course before the agent is permitted to sell, solicit or negotiate any of the insurer's long-term care insurance products. Insurers must obtain verification that an agent has completed the required ongoing training before the agent is permitted to continue to sell, solicit or negotiate the insurer's long-term care insurance products. The insurer must also maintain records of such verification according to the state's record retention requirements, and make that verification available to the Superintendent upon request.

Insurers must maintain records with respect to the training of its agents concerning the distribution of its Partnership policies that will allow the Superintendent to provide assurance to the Director of the Department of Job and Family Services that agents have received the training and that agents have demonstrated an understanding of the Partnership policies and their relationship to public and private coverage of long term care, including Medicaid, in this state. These records must be maintained in accordance with the state's record retention requirements and made available to the Superintendent upon request.

Agents who meet the initial and on-going training requirements will be considered "qualified" to sell long-term care policies and long-term care partnership policies. Insurers are cautioned to take steps to prevent the sale of these policies by agents who have not met the qualification requirements.

Questions concerning the Agent training may be addressed to:

License Division's Education Section
Ohio Department of Insurance
2100 Stella Court
Columbus, Ohio 43215
Phone: 614-644-2665

Questions concerning Long-Term Care Insurance Partnership Product qualification may be addressed to:

Life & Health Division
Ohio Department of Insurance
2100 Stella Court
Columbus, Ohio 43215
Phone: 614-644-2644

Mary Jo Hudson
Director of Insurance