

OAR 836-052-0531

Long term care insurance partnership program

(1) As used in this rule, " qualified long term care insurance partnership policy " or " partnership policy " means a long term care insurance policy that meets all of the following requirements:

(a) The policy was issued on or after January 1, 2008 or exchanged as provided in section (8) of this rule on or after January 1, 2008, and covers an insured who was a resident of this state or of another state that has entered into a reciprocal agreement with this state when coverage first became effective under the policy.

(b) The policy is a qualified long term care insurance policy.

(c) The policy meets all of the applicable requirements of ORS 743.650 to 743.656 and OAR 836-052-500 to 836-052-0786 and the requirements of the National Association of Insurance Commissioners long term care insurance model act and model regulation as those requirements are set forth in sec. 1917(b)(5)(A) of the Social Security Act (42 USC sec. 1396p(b)(5)(A)).

(d) The policy provides the following inflation protections:

(A) If the policy is sold to an individual who has not attained age 61 as of the date of purchase, the policy shall provide a compound annual inflation protection that is at least equivalent to the option for inflation protection in OAR 836-052-0616(1)(a).

(B) If the policy is sold to an individual who has attained age 61 but has not attained age 76 as of the date of purchase, the policy shall provide an inflation protection that is at least equivalent to an option for inflation protection in OAR 836-052-0616.

(C) If the policy is sold to an individual who has attained age 76 as of the date of purchase, the policy may provide inflation protection, but must at least comply with the provisions for inflation protections in OAR 836-052-0616.

(2) An insurer may use as one means of providing inflation protection under section (1)(d) of this rule a guarantee of automatic benefit increases of not less than an annual percentage change in the Consumer Price Index or an alternative index approved by the Director. If this inflation protection is included in a policy sold to a person who has not attained age 61, the index adjustments must be made on a compounding basis.

(3) An insurer or insurance producer soliciting or offering to sell a policy that is intended to qualify as a partnership policy shall provide to each prospective applicant the notice prescribed in Exhibit 1 to this rule, indicating the requirements and benefits of a partnership policy. The notice shall be provided with the required Outline of Coverage.

(4) A partnership policy or certificate delivered or issued for delivery in this state shall include a Partnership Disclosure Notice prescribed in Exhibit 2 or 3 to this rule as appropriate, explaining the benefits associated with a partnership policy or certificate and indicating that, at the time issued, the policy or certificate is a qualified state long term care insurance partnership policy or certificate.

(5) When an insurer is made aware that a policyholder has initiated action that will result in the loss of partnership status, the insurer shall provide an explanation of how such action impacts the insured in writing. The policyholder shall also be advised how to retain partnership status, if retention is possible. If a partnership policy subsequently loses partnership status, the insurer shall explain to the policyholder in writing the reason for the loss of status.

(6) Each insurer offering a partnership policy shall provide regular reports to the United States Secretary of Health and Human Services in accordance with regulations of the Secretary that include notification of the date benefits were paid, the amount paid, the date the policy terminates, and such other information as the Secretary determines may be appropriate to the administration of partnership policies.

(7) An insurer must file a long term care insurance policy for approval for use as a partnership policy.

(8) A long term care insurance policy that is not a qualified partnership policy may be exchanged for a qualified partnership policy, subject to underwriting criteria and any increased premium, as provided in this section. The qualified policy so exchanged is treated as newly issued and as such is eligible for partnership status. A rider, endorsement or change in schedule page that is made to a policy issued prior to January 1, 2008, but after February 8, 2006 for the purpose of meeting the requirements of this rule may be treated as giving rise to an exchange.

(9) At the request of the insured or an authorized representative of the insured, an insurer shall provide to the insured or representative a copy of the Approved Long Term Care Partnership Program Policy Summary prescribed in Exhibit 4 to this rule.

Statutory Authority - ORS 731.244, 743.655, 743.656 & 746.240

Statutes Implemented - ORS 731.244, 743.650, 743.653, 743.655, 743.656, 746.240