

State of Idaho
DEPARTMENT OF INSURANCE

JAMES L. RISCH
Governor

700 West State Street, 3rd Floor
P.O. Box 83720
Boise, Idaho 83720-0043
Phone: (208)334-4250
Fax: (208)334-4398

SHAD PRIEST
Acting Director

BULLETIN NO. 06-6

DATE: November 6, 2006

TO: **INSURANCE CARRIERS OFFERING LONG-TERM CARE INSURANCE IN THE STATE OF IDAHO**

FROM: **SHAD PRIEST
ACTING DIRECTOR**

SUBJECT: **IDAHO LONG-TERM CARE INSURANCE PARTNERSHIP PROGRAM – REQUIRED POLICY NOTICE AND ISSUER CERTIFICATION FORM**

The Deficit Reduction Act of 2005, Public Law 109-171 , allows for the expansion of Qualified Long Term Care Insurance Partnership Programs by states. Idaho’s Long Term Care Insurance Partnership Program was approved to become effective in November 2006. Under the Partnership Program, persons who purchase a qualifying long-term care insurance policy (“Partnership Policy”) may be subject to special rules relating to eligibility for Medicaid in Idaho. These rules allow assets equal to the amount of benefits received from a qualifying long-term care insurance policy to be disregarded for the purpose of determining Medicaid eligibility. The Partnership Program requires that insurers make certain filings with the Department of Insurance for long-term care insurance policies intended for use in Idaho. As detailed below, all long-term care policies must now contain a special notice regarding the Partnership Program. In addition, any policies intended to be marketed as Partnership Policies must first be filed with the Department and the filing must include a certification of compliance by an officer of the insurer. Partnership Policies are subject to approval by the Department of Insurance.

REQUIRED POLICY NOTICE

Idaho Code Section 56-1306 requires that **all** long term care insurance policies issued for use in Idaho must contain a notice provision to the consumer detailing in plain language the current law pertaining to asset disregard and asset tests. The notice is required to be developed by the Director of the Department of Insurance. Accordingly, the Department is requiring that, as of the date of this bulletin, any long-term care insurance policy offered for sale in Idaho must contain a notice explaining asset disregard and asset tests under the new Long-Term Care Insurance Partnership Program. This requirement

applies to all long-term care insurance policies without regard to whether the policy qualifies as a Partnership Policy.

The required notice must use identical wording and be in substantially the same form as the Required Notice form found at the Department's website (www.doi.idaho.gov) under the link: **Long-Term Care Partnership Program – Required Notice**. In order to comply with the Legislature's intent of providing consumers clear notice of the Partnership Program, the Department will require that the Required Notice appear at the front, or near the front of the policy form. At a minimum, the Required Notice must appear before the policy terms.

For policy forms that have already been filed for use in Idaho, the carrier must file the Notice with the Department as an endorsement to the existing policy and must clearly identify the policies to which the filing applies and explain how the Notice will be incorporated into the policy and where it will appear. Carriers will have thirty (30) days from the date of this bulletin to bring existing policies being marketed and sold into compliance with this law. Any long-term care insurance policy offered for sale in Idaho must include the Required Notice after December 6, 2006.

ISSUER CERTIFICATION FORM

Chapter 13, Title 56, Idaho Code, requires that the Department of Insurance approve policies as meeting the requirements of the Partnership Program. In order to assist in the review process, the Department is requiring that any carrier requesting approval of a long-term care insurance policy as a qualified Partnership Policy certify in writing that the policy meets all consumer protection standards required to qualify as a Partnership Policy. The required Issuer Certification Form and instructions can be found on the Department's website (www.doi.idaho.gov) under the link: **Long-Term Care Partnership Program – Issuer Certification Form**.

The Department may rely on the certification in determining whether a policy qualifies as a Partnership Policy; therefore it is essential that the Issuer Certification Form form be filled out completely and accurately. False or inaccurate information may result in disapproval of a policy and possible administrative sanctions.

Insurers may want to have some policies that are currently filed and being marketed in Idaho approved as meeting the requirements for Partnership Policies. To do this, the insurer must file an Issuer Certification Form that clearly identifies the previously filed policies and accurately certifies compliance with the required consumer protections. Unless requested by the Department, the insurer will not be required to include with the Certification Form policies that were previously filed for use in Idaho, but the policies may not be marketed as qualifying Partnership Policies until they have been approved as such by the Department of Insurance. After receipt of an Issuer Certification Form and a determination that a policy meets all applicable consumer protection requirements, the

Department will inform the carrier in writing that the policy qualifies as a Partnership Policy and it may then be marketed and sold as a qualifying Partnership Policy.

Any questions regarding filing of the Notice should be directed to the Department's Rates & Forms Section at 208-334-4250.