

Bulletin 347

Producer Training – Long-Term Care Insurance Policies

The Superintendent directs this bulletin to the attention of insurers licensed in Maine to write long-term care (“LTC”) insurance, insurance producers licensed to sell, solicit or negotiate LTC insurance, and continuing education providers approved by the Superintendent.

New long-term care training requirement for producers

An individual may not sell, solicit or negotiate LTC insurance unless the individual is licensed as an insurance producer for life or health insurance. Recent legislation, enacted at 2007 P.L., c. 232 and effective on September 20, 2007, also now requires such producers to complete a one-time training course and ongoing training every 24 months thereafter, in order to sell, solicit or negotiate LTC insurance.

The new law contains a transition provision for licensed producers already actively selling, soliciting, or negotiating LTC insurance as of the effective date of the statute. They will have until July 1, 2008 to complete the one-time training course. Such producers may continue to sell, solicit, and negotiate long-term care insurance until July 1, 2008, but must complete the one-time course in order to continue such activity after that date. In order to continue those activities thereafter, these producers then must complete the ongoing training every 24 months.

It is important to note that the July 2008 transition date applies only to licensed LTC producers who are actively selling, soliciting or negotiating LTC insurance as of the effective date of 2007 P.L., c. 232. Producers who were not already actively engaged in those LTC activities as of that date must complete the one-time training course before they may legally begin such activities. They also must complete the ongoing training every 24 months thereafter in order to continue to do so. Failure to meet these training requirements does not affect the status of a producer's license with the Bureau of Insurance, but that producer may not sell, solicit, or negotiate LTC products.

Insurers providing LTC insurance must (i) obtain verification that each of their appointed producers receives such training, (ii) maintain records subject to the new law's record retention requirements, and (iii) make that verification available to the Superintendent upon request. The one-time training course must be no less than eight hours, and the ongoing training no less than four hours. Training must cover LTC insurance, LTC services and, if applicable, LTC insurance that qualifies under a partnership program established in Maine pursuant to the Federal Deficit Reduction Act of 2005, Pub. L. 109-171 (“DRA”) Qualified Partnerships, and the relationship between Qualified Partnerships and other public and private coverage of LTC.

Satisfaction of these training requirements in any state will be deemed to satisfy the training requirements in Maine. These training requirements may be approved as continuing education courses under 24-A M.R.S.A. §§ 1481 *et seq.* Licensed persons and entities are responsible for familiarizing themselves with the specific provisions of, and complying with this law as well as the requirements of 24-A M.R.S.A. § 5081.

Statutory basis for the training requirement

The statutory source of the above requirement is as follows. The Federal Deficit Reduction Act (“DRA”) allows for the expansion of Qualified Partnerships to states which wish to join the Qualified Partnership. Maine has established the LTC Partnership Program at 22 M.R.S.A. § 3174-GG. 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 Superintendent, after a Qualified Partnership program has been established in Maine, 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.” The recently adopted amendments to 24-A M.R.S.A. § 5081, discussed above, lay the groundwork for these requirements.

Persons having questions about the training requirements should contact the Bureau of Insurance at (207) 624-8475 or toll-free in Maine at (800) 300-5000.

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NOTE: This bulletin is intended solely for informational purposes. It is not intended to set forth legal rights, duties or privileges nor is it intended to provide legal advice. Readers should consult applicable statutes and regulations and contact the Bureau of Insurance if additional information is needed.