NEW FRONTIER ON FILINGS
Filings Made Easier Through Compact

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Participating States

Session 34: New Frontier on Filings
What We Plan to Cover

• Benefits of a single product filing package
• How to maximize compliance and minimize time in review
• Partnership certification, advertising material, state benefit requirements and more
Value-Added Benefits

• Use one set of comprehensive Uniform Standards to prepare product forms vs. multiple state variations
• Submit one product filing vs. state-by-state
• Undergo one filing review vs. many reviews
• Receive approval on behalf of 37 Compacting States for individual LTC products
• Compact-approved forms can be submitted for Partnership via easier certification /approval process
• Reduce duplicative paperwork, processes and systems implementations
Value-Added Benefits

- Straightforward filing process using SERFF and useful tools for filers on IIPRC web site
- Prompt, easy access to professional team of product reviewers and actuaries who will work with companies pre- and post-filing to answer questions and provide guidance for compliance
- Easy to update product filings and add states to previously-approved filings
- Average approval in 60 review days or less
- Implement, administer standard product forms across Compacting States
Perspectives of a Filing Company

- 28 individual Life Filings
- 1 individual LTC Filing
- Product Types: Universal Life; Variable Universal Life; Mortgage Life; Term Life; Whole Life; Annuity; Final Expense; Return of Premium Rider; Paid Up Additions Rider; Applications; Other Riders/Endorsements; Long-Term Care
Perspectives of a Filing Company

- Individual Life Products
  - Range of 9-91 calendar days
  - Average # of days = 51
  - Mean average: 52 calendar days
  - *For 38 individual state filings: 2 months – 2 years*

- Individual Long-Term Care
  - 111 calendar days (77 working days)
  - 3rd Company to receive an approval under new individual LTC Standards
  - Filing package included policy forms; ancillary forms; application; marketing; and rates
  - *33 individual state filings: 2 months – 2 years*
• IIIPRC Filing
  – Life: 2 days (Mix & Match)
  – iLTC: 2-3 Hours (no mix & match)

• Separate State Filings
  – 38 (Life) separate filings
  – 34 (iLTC) separate filings
  – Weeks/Months
Perspectives of a Filing Company

- Life Product (Term Life & Whole Life Products)
  - IIPRC Filing - 1 filing; 5 forms (policy, application, riders)
  - 38 individual states - 33/30 state versions; 190 forms

- LTC Product
  - IIPRC Filing - 38 forms, marketing pieces, supporting documents
  - 34 individual states - 1,254 forms, marketing pieces, supporting documents
Perspectives of a Filing Company

• One filing; One objection to work through; One approval for 38 states (Life), 34 states (LTC)
• Form consistencies vs. multiple state exceptions
• One set of standards to review vs. 38/34 state regulations
• Elimination of or reduced number of implementation phases
• Significant cost savings – systems hours & resources
• Positive relationship with IIPRC Team
• Increased Speed to Market!!
Making an iLTC Filing

- Developed as full-suite so complete product can be filed with IIPRC
- Not Eligible For Mix & Match – file whole individual LTC package
- Can file combination products (Life/LTC & Annuity/LTC)
- Can file LTC Riders For Mix and Match with State-Approved Individual Life or Annuity Product Components
- Only States can Approve a Compact-approved individual LTC policy for Partnership – generally a certification filing w/ states
Making an iLTC Filing

• Ten Uniform Standards
  • Application
  • Application Forms
  • Change Application
  • Core Form (Policy/Rider) Benefit Features
  • Amendments
  • Outline of Coverage
  • Issue Age Rates
  • Modified Rates - not permitted in: Colorado, Illinois, Maryland, Oklahoma, Oregon and Washington
  • Advertisements
  • Hawaii, Indiana, Nevada and New Jersey have opted out
Making an LTC Filing

• Three Filing Submissions Per Product
• Policy/Riders/Rates/Outline of Coverage
• Self-Certified Forms
  o Suitability Form
  o Potential Rate Increase Disclosure Form
  o Replacement Notice
  o HIPAA Medical Authorization
• Advertising Forms
Making an iLTC Filing - Rates

• File individual LTC Rates with applicable policy forms

• Submit Actuarial Memorandum with Rate Information on “Rate/Rate Schedule” tab
  – Actuarial Memorandum
  – Assumptions Spreadsheet
  – Rate Pages
Making an iLTC Filing - Advertising

• One unique advertising filing associated with each individual LTC product filing

• Advertising filings may be re-opened as needed to update or add all advertising materials that will be used with product

• Uniform Standards for advertising have very detailed requirements
Making an iLTC Filing - Variability

• Statement of Variability
  • Daily minimum benefit; maximum elimination period; minimum benefit period follow state law as fall under marketing, sale and administration of product
  • IIPRC maintains these state-confirmed requirements on its website
  • SOV should include ranges to be inclusive of these state-specific requirements
Common Filing Objections & Pitfalls

- Closely follow definitions in Uniform Standards as they apply for all states – do not use state-specific definitions
- Compact definitions are deliberately broad to include all variations in state definitions/terminology
- Consumer should not be harmed because of variations in way state defines required services or facilities
Providers of services definitions need
- Information for when state requires license, certification or registration
- Requirements in lieu of licensure, certification or registration
- If state licenses, certifies or registers provider of services under another name it is still covered
Common Filing Objections & Pitfalls

• **Cross Border Rules** – If state of issue requires coverage, policy will pay those benefits obtained in another state if benefits for those services would have been paid in policy state of issue.

• **Extension of Benefits** - Provision to effect that termination of LTC policy shall be without prejudice to any benefits payable for institutionalization if began while LTC policy was in force and continues without interruption after termination.

• **Misstatement of Age** - Amount payable as a benefit shall be such as premium paid would have purchased at correct age.
• Include an identification of type of advertisement submitted, i.e., institutional advertisement, invitation to inquire, or invitation to contract

• Full corporate name of company must appear in prominent print at beginning of advertising material or on first page of advertising material

• Full corporate name, including city and state, must appear in disclaimer section at end of advertising material
Rate Considerations

- Standards allow filing of Modified Rates only for those Compacting States that allow it
  - CO, IL, MD, OK, OR and WA do not allow
  - Issue Age Schedule required to be offered
- Information required for Initial Rate Filing
- Annual actuarial certification
  - Currently marketed rates
  - Closed forms
- Triennial submission of supporting actuarial memorandum
- Rate increases for 15% or less to be filed with IIPRC
- Rate increases for more than 15% to be filed with Compacting State with IIPRC making an “advisory finding”
Partnership Approval

• Compact approval is not approval for use in state Partnership program
• After Compact approval, make certification filing with Partnership states
• Compacting State already has access to Compact filing in SERFF
  o Need to address special requirements in KY, MD and PA
• IIPRC will work with companies and Compacting States to address questions and issues
Filing Advertising Material

- Advertising forms in one unique filing associated with approved product filing
- Reopen filing to add and update advertising forms
- Suggest waiting until product filing is close to approval to make advertising filing so advertising materials reflect approved product
- Easier way for companies and states to track advertising associated with the product
- Can only have one “filing” in review stage at time (i.e., cannot file new material until current filing approved)
State Benefit Requirements

- Daily minimum benefit, maximum elimination period and minimum benefit period requirements in states are applicable to Compact-approved products.
- Easy to include ranges in Statement of Variability.
- IIPRC maintains state-provided information of these requirements on its Insurance Company resources web page.
Preparing an iLTC Filing

- Filing process
- Filing tips
- Find solutions to unexpected issues
- Call the IIPRC Team when a question arises
Questions?