

Legal, Compliance, & Regulatory



The Interstate Compact: Your Path to Approval

Karen Schutter (IIPRC)

Maureen Perry (IIPRC)

Peter Camacci (Pennsylvania Insurance Dept)

Marie Roche (John Hancock)



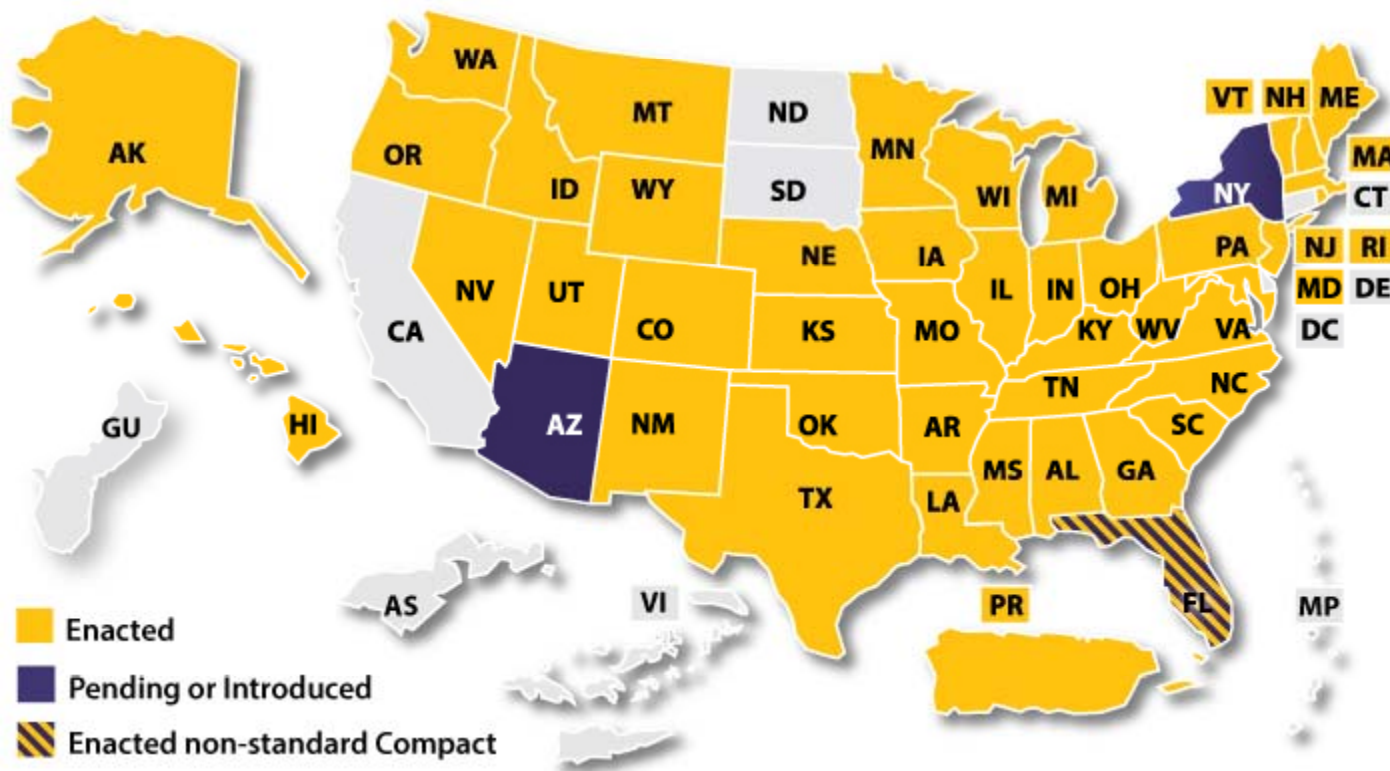
14th Annual Intercompany Long Term Care Insurance Conference

What we plan to cover



- Compact overview
- Filing process of iLTC products
- Tips and tools
- Interaction with state requirements
- Combination products
- Perspectives of IIPRC Reviewer
- Perspectives of Compacting State
- Perspectives of Company Filer
- Update on Compact activities

Compact overview



- Submit one filing vs. state-by-state
- Use one set of comprehensive Uniform Standards vs. multiple state variations
- Undergo one filing review vs. many reviews
- Reduce duplicative paperwork, processes, systems testing and implementation
- Receive IIPRC approval on behalf of 39 states Compacting States for iLTC products (HI, IN, MT, NJ opted out)

- Straightforward filing process using SERFF
- Tools and checklists for filers on IIPRC website
- Prompt easy access to professional team of form reviewers and actuaries both pre- and post-filing
- Easy to update and add states to filings
- Average approval in 60 review days or less

Filing Process for iLTC



- Must file whole iLTC package including rates and advertising
- Forms to be used with iLTC application can be filed via self-certification
- Only States can approve Compact-approved iLTC policy for Partnership
- State requirements for daily minimum benefit, max elim period, min benefit period apply
- Modified rate schedules not allowed for certain states (CO, IL, MD, OK, OR, WA)

Filing Process for iLTC



- Three separate filing submissions for one ILTC product
- Package filing includes application, policy, riders, outline of coverage, rates
- Self-certified filing includes suitability forms, potential rate increase disclosure form, replacement notice, HIPAA auth
- Advertising Filing includes all advertising forms (must reopen to add updated or new forms)

- Visit the website – insurancecompact.org
- Record
 - Adopted Uniform Standards
 - Interactive Checklists
- Insurance Company Resources
 - Tutorials
 - Tools – state LTC benefit chart and assumptions spreadsheet
- Filing Information Notices (2013-2 iLTC filings)
- Contact the IIPRC Office/reviewers to answer questions before and after filing

- Use Statement of Variability for state benefit ranges
- Specific filing requirements and certification for self-certified filing
- Use the Rate/Rule Schedule tab for actuarial memo, rates, assumptions
- One unique advertising filing associated with each iLTC product – must be reopened for updated or new advertising and not new filing

- Uniform standards apply – not state product content requirements
- Unfair trade / claims practices apply to sale, marketing, administration (other than product content requirements)
- Daily minimum benefit, minimum benefit period, maximum elimination period must follow state law – not content but marketing requirements

- Compact approval does not equal approval for use in state Partnership program
- Check state requirements for approval or recognition/certification of Compact-approved filing for Partnership
- Compacting State can check Compact-approved forms through SERFF for Partnership requirements (not state-specific content requirements)
- Use Statement of Variability and brackets to denote state-specific Partnership language

- Can submit Life or Annuity with LTC rider
- Can mix and match life/annuity with LTC rider
- If LTC Rider filed, must fully comply with applicable iLTC standards
- If \$/\$ exemption, actuarial memorandum to justify exemption filed under Rate/Rule Schedule
- Different than Accelerated Death Benefit Standards which are currently being updated

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Perspectives

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Update on Compact Activities



- Continuing uniform standards development
- Encouraging non-compacting states to address concerns/barriers
- Web access to approved Compact filings
- Compact discussion in NAIC Market Regulation Handbook
- Improvements to mix and match and guidance on applicability of state law to Compact-approved products