



Date: October 8, 2009

Memo To: Jane Sung, NAIC Staff to Senior Issues Task Force

Subject: 9/22/09 Draft – Adopted by Senior Issues (B) Task Force and exposed for comment on 9/22/09 (NAIC LTCI Model Regulation, Section 15 draft reporting requirements)

Comments of California Health Advocates:

We are pleased to see the NAIC actively pursuing information about denied claims for long-term care, and appreciate the opportunity to comment on the draft reporting requirements.

This reporting requirement in Section 15 G of the Model Regulation only applies to a policy for long-term care insurance benefits, and not to riders or contracts that include long-term care benefits such as annuity contracts and riders to other insurance products such as life insurance. While these products may be a small part of the overall market for long-term care insurance, they are a significant and growing source of long term care coverage. We think it is a mistake to exclude these products. The definition of a policy at G (1) should include riders and contracts that include benefits for long-term care services. We are also concerned that certificates may not be covered by this definition, since a policy would be the master group policy and not the certificates attached to such a policy. We see that the word certificate has been included in the box for inforce business on Appendix E, but the word policy is used alone in other places on the reporting form and in the definitions in G of the Regulation.

We suggest broadening the definition to include policy, certificate, rider, and contract.

Data cells 8, 9, 10, and 11 on Appendix E appear to be sub-categories of cell 7 rather than separately numbered data cells. Some of the examples shown in the footnotes could arguably result in a paid claim by an insured providing more information. In other cases we believe these data cells should be more specific. We suggest rewording as follows:

(#8) 7. a. Benefits requested for services not covered by the policy, certificate, rider or contract

(#9) 7 b. Provider or facility does not meet policy, certificate, rider, or contract definitions

(#10) 7 c. Benefit eligibility triggers were not met

We suggest deleting footnote #4.

Thanks for the opportunity to comment.

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