

COMMONWEALTH OF VIRGINIA

SCOTT A. WHITE
COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE



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TELEPHONE: (804) 371-9741
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TO: All Insurers Licensed to Transact Long-term Care Insurance Business in Virginia

SUBJECT: Policyholder Notification Requirements

DATE: June 18, 2024

Effective July 1, 2024, § 38.2-5206.1¹ of the Code of Virginia (Code) establishes certain policyholder notification requirements for insurers providing long-term care insurance.² The requirements of this section only apply when the individual or group policy issued or issued for delivery in Virginia and do not apply to certificates delivered in Virginia under a group policy issued outside Virginia. The Bureau of Insurance (Bureau) of the State Corporation Commission (Commission) provides the following information, along with the attached template, to assist insurers in understanding and applying these new requirements.

Notice of Proposed Rate Increase

Pursuant to § 38.2-5206.1 A of the Code, within 60 days of filing for a rate increase with the Commission, insurers providing long-term care insurance policies in Virginia must issue a written notice to each policyholder³ that the insurer has filed for a rate increase. This requirement is applicable to long-term care insurance rate increase requests submitted to the Commission on or after July 1, 2024. The notice must include:

- The reasoning for which the insurer is requesting a rate increase;
- The amount of the rate increase requested, expressed as a percentage for each individual policyholder, group policyholder or individual certificateholder, as applicable;
- Directions on how to obtain information about the Commission's review of the rate case via the Commission's website;
- Contact information for the Commission, including the Commission's website, email

¹ 2024 Acts of Assembly [Chapter 315](#).

² Please note that, pursuant to § 38.2-5206.1 C of the Code, all notices required under § 38.2-5206.1 A and B of the Code must be in an easy-to-read font and use plain language, present options fairly, and include appropriate definitions, disclosures, visualization tools, and referrals to external resources.

³ "Policy" is defined in § 38.2-5200 of the Code to mean "certificate" as well as "policy." Therefore, § 38.2-5206.1 of the Code requires the notice to be sent to each policyholder and certificateholder. As such, the term "policyholder" in the template refers to individual policyholder, group policyholder or individual certificateholder, as applicable depending on the notice addressee.

- address and toll-free telephone number;
- A statement informing the policyholder of the right to provide comments to the Commission on the proposed rate increase and how to submit such comments to the Commission, including all available options via phone, website, and mail;
 - Information on how to contact the insurer for more information, including the insurer's website, email address, and toll-free telephone number; and
 - A statement that the notice provides information on a proposed rate increase and that the insurer will notify the policyholder of the Commission's approval or denial of the proposed rate increase.

The Bureau designed the template included with this communication to meet the requirements of this section. An insurer may use this template for the notice of proposed premium rate increase. In any proposed rate increase filing with the Commission, the insurer should include a completed “John Doe version”⁴ of the notice under Supporting Documentation in the proposed rate increase SERFF⁵ filing.

Should an insurer choose to create its own notice in lieu of using the template provided, the insurer must file its own notice of proposed premium rate increase, a Statement of Variability (SOV), and a completed “John Doe version” of the notice with the Commission. The insurer must submit these documents to the Bureau for review in a SERFF forms filing separate from, and at least 90 days prior to, the SERFF filing requesting the rate increase, to ensure a timely review of the notice.

Notice of Denial or Approval of Proposed Rate Increase

Insurers are required under §38.2-5206.1 B of the Code to provide written notice to each policyholder of the denial or approval of the proposed rate increase. These requirements are applicable to denials and approvals issued by the Commission on or after July 1, 2024, regardless of the date the proposed rate increase was filed.

If the Commission approves any proposed rate increase, even when less than the amount requested in the insurer’s filing, the insurer must send a written notice of the approval in accordance with § 38.2-5206.1 B 2 of the Code and 14 VAC 5-200-75 to each policyholder at least 90 days⁶ before the rate increase is effective. An insurer must continue to include in such notice all information currently required by 14 VAC 5-200-75 in addition to the new requirements of § 38.2-5206.1 B 2 of the Code.

Please note that insurers should file the policyholder notification of rate approval when submitting the proposed rate increase filing. At such time as the Commission is ready to approve a rate increase, the Bureau will request insurers to submit the “John Doe version” of this notice.

If the Commission denies the rate increase, the insurer must send a written notice to each policyholder within 90 days of the Commission’s denial. A “John Doe version” of this denial

⁴ See 14 VAC-5-101-60 (5).

⁵ System for Electronic Rate and Form Filing.

⁶ Note that § 38.2-5206.1 B 2 of the Code modifies the requirement under 14 VAC 5-200-75 D to provide notice of an approved rate increase from 75 days to 90 days.

notice must be submitted to the Commission prior to closing the filing.

Questions related to this communication should be directed to: Greg Smith, Manager, Health Rates, at Greg.Smith@scc.virginia.gov

Attachment: *Insurer Notice of Proposed LTC Premium Rate Increase Template*

[*Insurer Notice of Proposed LTC Premium Rate Increase Template*]

INSURER LETTERHEAD / LOGO

Date [*enter date*]

[*enter policyholder name*]

[*enter policyholder address*]

[*enter policyholder city, state and zip code*]

RE: **Policyholder Notification of Proposed Long Term Care Premium Rate Increase**

SERFF Tracking Number: [*enter SERFF tracking number for rate filing*]

Dear [*enter policyholder name*]:

This notice is to inform you that on [*enter date filing was submitted*], [*Insurer Name*] requested a rate increase for your Long-Term Care Insurance policy. [*Insurer Name*] requested the increase [*enter reason for the request in plain language*]. The amount of the rate increase requested is [*enter either: (i) rate increase requested, expressed as a percentage, specific to each policyholder, or (ii) alternatively, enter the rate increase requested, expressed as a percentage, for every applicable benefit level, so that every policyholder is able to determine their specific rate increase.*] [*If the alternate option is used, include this language: "You may contact [*insurer name*] if you are unsure of your benefit level."*]

[*Insurer Name*] submitted this rate increase request to the Virginia State Corporation Commission's Bureau of Insurance (SCC/BOI) for approval. To view the status and progress of the SCC/BOI's review of this increase, or to learn more about the SCC/BOI's review process, you may visit: <https://www.scc.virginia.gov/pages/Long-Term-Care-Insurance-Rate-Increases> or call 1-877-310-6560.

You have the right to provide comments about the proposed rate increase request to the SCC/BOI at:

Email: LTCRateComment@scc.virginia.gov

Or

Write to: Virginia State Corporation Commission
Bureau of Insurance

P.O. Box 1157
Richmond, VA 23218
Attn: Health Rates

Please include the SERFF Tracking Number from this letter when making comments. SERFF is the System for Electronic Rate and Form Filing used by insurance carriers to seek approval from state regulators. Your comments will be acknowledged and tracked.

If you would like to know more about how this proposed rate increase may affect your specific policy, you may contact us directly at:

[All of the following contact information is required and is not optional]

[enter Insurer Name]
[enter Insurer Address]
[enter Phone Number]
[enter Insurer Email]
[enter Insurer Website]

[The insurer may indicate here the best and most timely way for the policyholder to contact the insurer regarding the proposed rate increase].

This notice provides information about a proposed rate increase. Before an increase can become effective, it must be approved by the SCC/BOI. The SCC/BOI could approve an increase that is different than the proposed rate increase. As a result, **there is no action you need to take at this time**. This letter is only intended to provide advance notification of a potential future increase.

[Insurer Name] will notify you before an approved increase becomes effective including options to mitigate the impact of the rate increase. If the SCC/BOI denies the request, *[Insurer Name]* will notify you of the SCC/BOI's denial.

Sincerely,
[Insurer Representative]
[Insurer Name]