

VIRGINIA BUREAU OF INSURANCE (BOI) LONG TERM CARE INSURANCE (LTCI) POLICYHOLDER COMMUNICATIONS CHECKLIST

NOTICE: This checklist must be completed in its entirety and included with each LTCI Policyholder Communication document submission. Failure to provide a completed checklist will result in a delay of the review and may result in rejection of the filing

This document is intended to assist carriers with preparing LTCI communication(s) for review by the Bureau of Insurance. It provides guidance based on Virginia laws, regulations and NAIC recommendations. It should be noted, however, that this checklist should not be used exclusive of other important resources, including, but not limited to, any and all other applicable state insurance laws and associated rules and regulations. Note that some regulatory references in the Comments column are approximate. It is the responsibility of the carriers to verify that their forms and documents comply with all relevant statutory and regulatory requirements.

Insurer:

Submit Date:

Form #(s):

Related SERFF Form Filing # (if any):

Related SERFF Rate Filing # (s):

	REVIEW REQUIREMENTS	REFERENCES/COMMENTS	FILER'S NOTE
1	Does the filing contain all required materials to clearly communicate the renewal information including policyholder communication, supplemental FAQ, graphs, illustrations and change forms?	Per NAIC Guidance	
2	Will notice of rate action for either a single or multiple phase increases be received at least 75 days prior to the policyholder anniversary or premium change date?	14VAC5-200-75 D. An insurer shall provide notice of an upcoming premium rate schedule increase to all policyholders or certificateholders, if applicable, at least 75 days prior to the implementation of the premium rate schedule increase by the insurer.	
3	Is a Certificate of Compliance provided?	14VAC5-101-110. Certificate of compliance. Each form filing shall include a statement identical to the following that is signed by an officer of the company:	
4	Is the new form filed to be used with a previously approved form?	14VAC5-101-50 F. Any form filed that is to be used with a previously approved form, including an application, shall identify the form number, approval date, and SERFF or state tracking number in the new filing.	

5	Does the new form filed revise a previously approved form?	<p>14VAC5-101-50 G. Any amendment, endorsement, or rider that intends to revise a previously approved form shall be accompanied by the previously approved form filed as supporting documentation.</p> <p>Include the SERFF Tracking Number of the previously approved form.</p>	
6	Are form numbers provided and consistent with those on the Form Schedule in SERFF?	<p>14VAC5-101-60 1. The form number shall appear in the lower left-hand corner of the first page of each form. It shall consist of numbers, letters, or a combination of both. The form number shall distinguish the form from all other forms used by the company.</p>	
7	Is the full licensed name of the company, including the address of the home office, prominent at the top of the cover page and other forms?	<p>14VAC5-101-60 2. The full licensed name of the company, including the address of the home office, shall appear in prominent print at the top of the cover page of any policy, application, or enrollment form. Examples of prominent print include print that is in all capital letters, bold, enlarged font, contrasting color, underlined, or otherwise differentiated from the other type in the form. The full licensed name of the company shall appear in prominent print on all other forms.</p>	
8	Is the Marketing Name or Logo misleading?	<p>14VAC5-101-60 3. A marketing name or logo also may be used on the form, provided that the marketing name or logo does not mislead as to the identity of the company.</p>	
9	Is a Statement of Variability (SOV) included with clear explanations and does it list all of the variable options?	<p>14VAC5-101-80: Variability.</p> <p>A. Use of variable bracketed information shall be limited. All variable information shall be clear, easily understood, and fully explain each use of the variable language.</p> <p>B. Administrative information, such as officer names, titles and signatures, contact information, or company logo may be presented as variable bracketed text.</p> <p>C. Different types of benefits may be variable only for inclusion or exclusion within the form. The use of brackets within brackets is not permitted, except when variability is necessary to identify a period of time or other numeric value.</p> <p>D. Each instance of variable text shall appear in brackets on a form and shall be separately and completely explained in detail in a Statement of Variability document. Each explanation of variability shall appear in the same order that it appears on the form.</p> <p>E. Requests for revisions to a Statement of Variability contained in a previously approved filing shall be accomplished by notification in the original filing.</p>	

10	Has the LTCI Rate Request Summary been completed and posted in the Supporting Documentation Tab in SERFF?	Form to be found on the State Corporation Commission website, in the Long Term Care Forms & Reports section. https://www.scc.virginia.gov/pages/Long-Term-Care-Forms-Reports	
11	Has the company sent a pre-notification letter? If so please provide under Supporting Documentation.	Per NAIC Guidance	
READABILITY & ACCESSIBILITY CHECKLIST		VA REGULATION/REFERENCE	FILER'S NOTE
12	Is the communication easy to follow and clearly worded?	14VAC5-101-70 A. Each form submitted for review or approval shall be written in simplified language, logically and clearly arranged, printed in a legible format, and understandable to a person of average intelligence without special insurance knowledge or training.	
13	Does the policyholder notification letter display the essential information and/or the primary action at the beginning and that its purpose is to inform the consumer of a rate increase and if applicable, that they have options to reduce that increase?	Per NAIC Guidance	
14	Are technical insurance terms clearly defined/explained in the communication?	14VAC5-101-70 C. Defined words and terms shall be placed in a separate definition section that is clearly identified. A word or term that is used only in one section may be defined within that section.	
15	Are technical terms used consistently throughout the communication and mirror policy language and definitions where appropriate?	Per NAIC Guidance	
16	Does the communication use headings to help the reader find information easily?	14VAC5-101-70 D. A policy shall be divided into logically arranged sections with an appropriately named caption or heading for ease in locating desired content. Captions and headings shall be clearly set apart from the general text.	
17	Is the communication in at least a 10-point type size?	14VAC5-101-70 E. Any form submitted for review or approval shall be printed in at least 10-point type size.	

18	Are margins, line spacing, paragraph spacing and use of bullets consistent and sufficient for ease of reading?	Per NAIC Guidance	
19	Are tables and other graphics easy to read and understand?	Per NAIC Guidance	
20	Is it clearly explained which reduced benefit options (RBOs) are available to the policyholder? Are there side-by-side illustrations showing how the RBOs impact the policy benefits and premiums?	Per NAIC Guidance	
21	Does the form avoid diminished contrast features that may make it harder to read? Examples include: * Use of italics * Narrow margins (top and bottom less than 1.5") * All caps (all bold is acceptable) * Different font colors throughout * Difficult to read text	Per NAIC Guidance	
22	If Frequently Asked Questions (FAQs) are included, are they clear and easy to understand?	Per NAIC Guidance	
23	a. Is the form submitted in a "final form"? b. Are "John/Jane Doe" form samples included as supporting documents?	14VAC5-101- 60 5. Each form shall be submitted in the final form in which it is to be marketed or issued, sufficiently completed in "John Doe" fashion to indicate how it is intended to be used.	

	IDENTIFICATION	VA REGULATION/REFERENCE	FILER'S NOTE
24	Does the communication state the primary driving factors for the rate increase? This should be generally consistent with the driving factors stated in the Actuarial Memo and the Rate Request Summary.	14VAC5-200-75 D. 3. A clear identification of the driving factors of the premium rate increase;	
25	Are the reasons for the rate increase specific to the block of business and not to the industry as a whole?	Per NAIC Guidance	
26	Does the communication indicate when the rate increase will be effective?	14VAC5-200-75 A. 4. a. A description of when premium rate or rate schedule adjustments will be effective (e.g. next anniversary date, next billing date, etc.);	
27	Does the election document become a part of the policy? If not, how is the policy amended with the revised coverage option?		
28	Does the election form description match the description of options found in the rate increase notification letter and/or FAQ?		
29	Does the letter clearly explain that the policyholder is not being singled out for the increase?	Per NAIC Guidance	
30	For post rate stability plans, is there a disclosure that some RBOs may result in the loss of partnership status that may reduce protections?	14VAC5-200-75 D. 2. c. In the case of a partnership policy, a disclosure that some benefit reduction options may result in a loss in partnership status that may reduce policyholder protections;	
31	Does the letter contain the following statement? If not it must be added to the letter.	14VAC5-200-75 D. 4. A statement substantially similar to the following: <i>The rate increase request was reviewed by the commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance. All premium rate filings are available for public inspection and may be accessed online through the Virginia Bureau of Insurance's webpage: https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx.</i>	
32	Does the communication list all enclosures provided and mark variable enclosures that are optional? Are examples of the enclosures provided under the Supporting Documentation tab?	Per NAIC Guidance	

COMMUNICATION TOUCH & TONE		VA REGULATION/REFERENCE	FILER'S NOTE
33	Is there a statement telling the policyholder how to contact the insurer for more information or help understanding their options?	14VAC5-200-75 D. 2. d. Contact information that will allow the policyholder to contact the insurer for additional options available;	
34	a. Is the insurer's customer service number easy to find? Is it clear what hours and days consumer service is open? b. Are the phone numbers, website links, and email addresses listed in the communication accurate and functional?	Per NAIC Guidance	
35	Are the RBOs represented uniformly? Options are not presented uniformly if one option is emphasized, mentioned multiple times or bolded when the other options are not.	Per NAIC Guidance	
36	Are words used that could influence a policyholder's decision, such as "must" or "avoid"? Consider demonstrating immediacy by using the word "now" and avoid words like "must".	Per NAIC Guidance	
CONSULTATION & CONTACT INFORMATION		VA REGULATION/REFERENCE	FILER'S NOTE
37	Does the communication encourage the policyholder to consult with a tax advisor if the RBOs include a cash buy out or could cause loss of Partnership status?	Per NAIC Guidance	
OPTIONS - PRESENTATION		VA REGULATION/REFERENCE	FILER'S NOTE
38	Does the communication have a clearly worded, descriptive title or subject line? For example: Your Long-Term Care Premiums Are Increasing.	Per NAIC Guidance	

39	Can the policyholder ask for additional options? If so, is it clear that the policyholder can ask for additional options?	Per NAIC Guidance	
40	Is it clear that the policyholder or certificateholder has the right to reduce coverage at any time? Are the instructions about how to do that also clear?	14VAC5-200-183 A. 1. Every long-term care insurance policy and certificate shall include a provision that allows the policyholder or certificateholder to reduce coverage and lower the policy or certificate premium in at least one of the following ways: a. Reducing the maximum benefit; or b. Reducing the daily, weekly or monthly benefit amount.	
41	Has the policyholder's right to a revised premium rate or rate schedule been disclosed?	14VAC5-200-75 4. b. The right to a revised premium rate or rate schedule... if the premium rate or rate schedule is changed;	
OPTIONS - PAST & FUTURE RATE ACTIONS		VA REGULATION/REFERENCE	FILER'S NOTE
42	Does the communication inform policyholders that their policy is "guaranteed renewable" or "noncancellable"?	14VAC5-200-60 A. Renewability. The terms "guaranteed renewable" and noncancellable" are defined in this regulation.	
43	Does the communication include a statement that future rate actions could occur? Is it clear that any future increase will include RBOs? Is the intent for filing future rate increases disclosed and clear?	14VAC5-200-75 A. 2. An explanation of potential future premium rate revisions, and the policyholder's or certificateholder's option in the event of a premium rate revision;	

OPTIONS - TIME TO ACT		VA REGULATION/REFERENCE	FILER'S NOTE
44	Does the communication clearly indicate how the consumer may elect an option and provide a deadline to do it? Does the election document allow the consumer to clearly indicate their choice?	<p>14VAC5-200-75 D. 2. a. A clear explanation of options available to the policyholder as alternatives to paying the increased premium amount, including:</p> <p>a. An offer to reduce policy benefits provided by the current coverage consistent with the requirements of 14VAC5-200-183;</p> <p>14VAC5-200-183. Right to reduce coverage and lower premiums.</p> <p>A. 1. Every long-term care insurance policy and certificate shall include a provision that allows the policyholder or certificateholder to reduce coverage and lower the policy or certificate premium in at least one of the following ways:</p> <p>a. Reducing the maximum benefit; or</p> <p>b. Reducing the daily, weekly or monthly benefit amount.</p> <p>2. The insurer may also offer other reduction options that are consistent with the policy or certificate design or the carrier's administrative processes.</p> <p>3. Except for long-term care policy issued prior to September 1, 2015, that contains language to the contrary, in the event the reduction in coverage involves the reduction or elimination of the inflation protection provision, the insurer shall allow the policyholder to continue the benefit amount in effect at the time of the reduction.</p>	
45	If options are only available during the decision window is that limitation clear to consumers?	Per NAIC Guidance	
46	Does the communication indicate what happens if the policyholder does not send payment? For example, if the policy lapses within 120 days, does the Insurer explain that a contingent benefit upon lapse or a contingent nonforfeiture option may apply?	Per NAIC Guidance	
OPTIONS - CURRENT BENEFITS		VA REGULATION/REFERENCE	FILER'S NOTE
47	Does the communication contain all of the applicable information; with a comparison chart including current policy benefits? Benefits such as: daily benefit, elimination period, current lifetime maximum benefit in dollars, and inflation option?	Per NAIC Guidance	

OPTIONS - PERSONAL DECISION		VA REGULATION/REFERENCE	FILER'S NOTE
48	Does the communication prompt the policyholder to consider their personal situation, such as: age, gender, health conditions, financial position, availability of caregivers, spouse or partner impacts, and potential need for and cost of care?	Per NAIC Guidance	
49	Is there enough information to make a decision? If not, can a policyholder request customized options in enough time to make an informed decision?	Per NAIC Guidance	
OPTIONS - VALUE OF OPTIONS		VA REGULATION/REFERENCE	FILER'S NOTE
50	Does the letter contain a statement that RBOs available may not be of equal value? Disclosure must be prominent.	14VAC5-200-75 D. 2. b. A disclosure stating that all options available to the policyholder may not be of equal value;	
51	Does the narrative describing the contingent nonforfeiture and other limited benefit options make it clear that there is a reduction in the current policy's LTC benefits? The narrative does not have to include the dollar value for CNF.	Per NAIC Guidance	

52	<p>a. Compliant with 14VAC5-200-185 D. 3.?</p> <p>b. Compliant with 14VAC5-200-185 E. 3.? The contingent benefit upon lapse must state the following: <i>The paid-up value will be the greater of 100% of the sum of all premiums paid or 30 times the daily nursing home benefit at the time of lapse; in no event will the paid-up value exceed the maximum benefits which would be payable if the policy remained in a premium paying status.</i></p> <p>c. Compliant with 14VAC5-200-185 F.?</p>	<p>14VAC5-200-185 D. 3. A contingent benefit upon lapse shall be triggered every time an insurer increases the premium rates to a level that results in a cumulative increase of the annual premium equal to or exceeding the percentage of the insured's initial annual premium set forth in the "Triggers for a substantial Premium Increase table (see regulation for table) based on the insured's issue age, the policy or certificate lapses within 120 days of the due date of the premium so increased.</p> <p>14VAC5-200-185 E. 3. the standard nonforfeiture credit will be equal to 100% of the sum of all premiums paid, including the premium paid prior to any changes in benefits. The insurer may offer additional shortened benefit period options as long as the benefits for each duration equal or exceed the standard nonforfeiture credit for that duration. However, the minimum nonforfeiture credit shall not be less than 30 times the daily nursing home benefit at the time of lapse.</p> <p>14VAC5-200-185 F. All benefits paid by the insurer while the policy or certificate is in premium paying status and in the paid-up status will not exceed the maximum benefits which would be payable if the policy or certificate had remained in premium paying status.</p>	
OPTIONS - IMPACT OF DECISION		VA REGULATION/REFERENCE	FILER'S NOTE
53	<p>a. For current benefits with an inflation option, does the communication explain the impact changes may have on benefits now and in the future?</p> <p>b. Is there a prominent statement telling policyholders they can maintain their current benefits by paying the increased premium?</p> <p>c. Does the communication have a declarative statement about the impact of dropping or adjusting inflation protection?</p>	Per NAIC Guidance	
54	Do the options reflect the impact of removing or reducing the inflation option on the growth or reduction of future benefits?	Per NAIC Guidance	
55	For phased-in increases; is there a table with all phase-in dates and premium amounts if no RBO is selected?	Per NAIC Guidance	

56	Does the communication clearly state if RBO(s) are limited to only the first rate increase or will they be available during each phase of the rate increase?		
OPTIONS - OTHER		VA REGULATION/REFERENCE	FILER'S NOTE
57	<p>a. Does the notice include a reminder to the policyholder to keep the notice or any other documents related to this policy with the policyholder's long-term care insurance policy?</p> <p>b. Does the notice encourage the policyholder to keep the policy and related documents in an easily accessible location (not a safe deposit box) and inform the appropriate individuals about where the policy can be found?</p>	Per NAIC Guidance	
58	<p>a. Does the notice include a reminder that the policyholder can identify a third party to be notified if premiums aren't paid and information about how to make that election?</p> <p>b. If not how is this communication provided to the policyholder?</p>	14VAC5-200-65 A. Each insurer offering long-term care insurance shall, as a protection against unintentional lapse, comply with the following:	
Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:			
https://scc.virginia.gov/pages/Administration-of-Insurance-Regulation-in-Virginia			
Please contact the rate review section of the Bureau at (804) 371-9348 if you have any questions about this checklist or the filing process.			
<p>CERTIFICATION AND COMPLETION OF VIRGINIA BUREAU OF INSURANCE LONG TERM CARE INSURANCE (LTCI) POLICYHOLDER COMMUNICATIONS CHECKLIST</p> <p>I certify that each submitted document complies with the requirements of Title 38.2 of the Code of Virginia, applicable rules and regulations, and this checklist. I understand that a failure to comply with these requirements will result in a disapproval of the filing.</p> <p>Signature: _____</p>			
Name (please print): _____ Title: _____			

	Company Name: _____	
	Date: _____ Phone No: _____	
	Email Address: _____	