

Arizona Department of Insurance
Response to Comments Received
Long-Term Care Insurance Rule

Thanks to everyone who submitted comments on the Long-Term Care Insurance Rule. All the comments, repeated verbatim, are posted on our website under the section entitled "Laws, Rules and Bulletins" under "Rulemaking Documents." The comments include written comments, e-mails received and testimony given at the hearing held on March 3, 2017.

The comments can be categorized into three areas. The first area relates to A.A.C. R20-6-1007(E) and is a joint request by the American Council of Life Insurers (ACLI) and America's Health Insurance Plans (AHIP) (see comments #2, #3, and #4). These entities requested a change to the last sentence of AAC R20-6-1007(E), Required Disclosure Provisions. The language in the proposed rule is as follows:

"The contract shall also include a Specification Page which shall include the benefits, amounts, durations, the applicable rate schedule, including all premium rates that vary by duration, and any other benefit data applicable to the insured."

The commenters proposed changing this provision to read as follows:

"The contract shall also include a Specification Page which shall include the benefits, amounts, durations, the premium rate applicable to the insured and any other benefit data applicable to the insured."

The Department has considered this suggestion and is changing the last sentence of AAC R20-6-1007(E) to read:

"The contract shall also include a Specification Page which shall include the benefits, amounts, durations, the premium rate including all optional benefits selected by the insured and any other benefit data applicable to the insured."

The second area, again requested jointly by ACLI and AHIP, was to delay the effective date of the rule amendments for six months to allow insurers sufficient time to comply with the new provisions being incorporated in the rulemaking (see comments #2, #3, #4, and #6).

The Department has considered this suggestion and is making the effective date **November 10, 2017**. Insurers issuing contracts on or after this date will need to comply with the new provisions being incorporated into the long-term care insurance rules.

The third area of comments centered on Senate Bill 1441 (L. 2016, Ch. 280; Long-Term Care; Rates, Premiums, enacted into law under an emergency clause effective May 17, 2016), which is the bill that mandated adoption by the Department of the 2014 version of the NAIC Model Long-Term Care Insurance Regulation (see comments #7 through #12). None of these comments addressed the rulemaking but were, instead, general comments on the impact of premium rate increases on consumers.

Consumers should be aware that the changes being incorporated in the rules are aimed at protecting them. The modifications include minimum standards addressing policy benefits and premium stability on policies issued in the future. These changes also give the Director greater flexibility to approve increases that are lower than those that the insurer requested.

Insureds who are notified of a premium increase, should call the Department to find out their options under their contract. We can be reached at (602) 364-2499 (within Maricopa County); 1-800-325-2548 (outside Maricopa County); (602) 364-2977 (for Spanish speakers); and on our website at: <https://insurance.az.gov>.