

COMMONWEALTH OF VIRGINIA

ALFRED W. GROSS
COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE



P.O. BOX 1157
RICHMOND, VIRGINIA 23218
TELEPHONE: (804) 371-9741
TDD/VOICE: (804) 371-9206
<http://www.scc.virginia.gov>

May 16, 2005

Administrative Letter 2005 - 7

TO: All Companies Licensed to Write Accident and Sickness Insurance in Virginia and Interested Parties

RE: Individual Long Term Care Insurance Coverage Provided in Virginia

The Bureau of Insurance (the Bureau), seeks your cooperation in completing the attached questionnaire concerning *individual long-term care insurance* sold in Virginia. Completed questionnaires will be used to develop a Long-Term Care Insurance Premium Comparison Guide which will be made available in printed form and through the Bureau's website. Use of the guide will enable consumers to compare annual premiums for sample long-term care policies as well as the policy that each carrier identifies as its most popular plan.

Since it is impractical to produce charts showing the premiums at every age and for every plan, Virginia, like other states, has adopted an approach that will show premiums at five-year intervals beginning at purchase age 40 and ending at purchase age 80.

To facilitate the completion of the questionnaire, we have attached instructions and further explanations relating to the requested information.

We ask that you complete and return the attached questionnaire or notify the Bureau of Insurance if your company does not market individual long-term care insurance in Virginia, **no later than June 15, 2005**. The premium guide produced by the Bureau will only include information received on or before this deadline.

Completed questionnaires, notifications of non activity in the Virginia individual long-term care market, and any questions regarding this request may be submitted via e-mail or by regular mail, to the addresses noted at the end of the questionnaire. Electronic copies of the questionnaires may be found as attachments to this letter at:

<http://www.scc.virginia.gov/division/boi/webpages/boi2005administrativeletters.htm>

We appreciate your consideration of this matter and your prompt response.

Sincerely,

Alfred W. Gross
Commissioner of Insurance

Instructions for Completing Long-Term Care Questionnaires:

- Enter data only for individual policies your company is **actively selling in Virginia**. If the company only offers group policies or is no longer actively selling long-term care insurance to new customers in Virginia, please respond accordingly.
- Enter premiums as whole dollars only, without decimals, rounding to the nearest dollar. For example, enter \$500 not \$500.25.
- Include information on the payment disbursement method (expense incurred or indemnity), the policy's elimination period (in days), and the waiting period (in months) for pre-existing conditions to be covered.
- Include the Policy Form Number for the specific policy for which the rates are listed. If more than one policy applies, separate each Policy Form Number with a comma.
- If the company does not offer a Comprehensive (nursing home and home health) policy with similar benefits to those of one of the sample policies, please enter "N/A" in the space provided for the policy form number.

We are requesting that the following information be included:

- Company:** Use the full corporate name under which the insurer is licensed in Virginia.
- Consumer Phone Number:** If available, show a toll-free number that may be used by potential customers seeking policy information. If a toll-free number is not available, show the area code with the toll number.
- Tax or Non Tax Qualified:** Indicate tax-qualified or non-tax qualified long-term care insurance. If you offer both, please include information for both products.
- Payment Disbursement Method:** Include information on the payment disbursement method (expense incurred or indemnity).
- Pre-Ex Waiting (in months):** Enter the number of months the new policyholder must wait before pre-existing medical conditions will be covered (assuming it is not a replacement policy).
- Premiums:** Compute **annual** premiums which will be in effect on **June 15, 2005**. Include any fees imposed for payment in installments rather than a single annual payment. If you do not offer a specific plan, leave that space blank. Round off to the nearest dollar.

Individual Long-Term Care Insurance Questionnaire

Company Name: _____

NAIC Number: _____

Name of Person Completing Questionnaire: _____

Title: _____

Fax: _____

Direct Telephone Number: _____

E-Mail: _____

Consumer Telephone Number: _____

IMPORTANT: This is the number that will be published in the rate guide to allow consumers in Virginia to call for information. Please verify the accuracy of the number!

Company Web Site: _____

Part I

Please complete the following information for your **most popular long-term care product**.

Type of Policy: (circle one)

Nursing Home Home Health Care Nursing Home and Home Health Care

Circle One:

Tax Qualified

Non-Tax Qualified

Payment Method: (circle one)

Expense incurred

Indemnity

Pre-Existing Condition Waiting Period: _____
(number of months)

Elimination Period: (number of days) _____

Benefit Period: (number of years or lifetime) _____

Benefit Eligibility Trigger
Circle One:

Activities of Daily Living

Physician Certification

Cognitive Impairment

Other _____

Discounts available (circle all that apply)

Spousal (one policy only)

Spousal (each policy)

Group

Other: _____

Daily Benefits:
(\$ amount / day)

Nursing Home

Home Health Care

Part II
Sample Policy Information

Please complete the requested information for the **specified plans**.

Individual Nursing Home and Home Health Care Policy
\$100/\$50 Daily Benefit
0 – 20 Day Elimination Period
Two Year Benefit Period

Tax or Non Tax Qualified	Payment Disbursement Method	Elimination Period (in days)	Pre-Ex Waiting (in months)	Policy Form Number

Purchase Age and 2005 Annual Premiums								
40	45	50	55	60	65	70	75	80

Individual Nursing Home and Home Health Care Policy
\$100/\$50 Daily Benefit
30 - 60 Day Elimination Period
Five Year Benefit Period

Tax or Non Tax Qualified	Payment Disbursement Method	Elimination Period (in days)	Pre-Ex Waiting (in months)	Policy Form Number

Purchase Age and 2005 Annual Premiums								
40	45	50	55	60	65	70	75	80

Individual Nursing Home and Home Health Care Policy
 \$100/\$50 Daily Benefit
 90 - 100Day Elimination Period
 Lifetime Benefit Period

Tax or Non Tax Qualified	Payment Disbursement Method	Elimination Period (in days)	Pre-Ex Waiting (in months)	Policy Form Number

Purchase Age and 2005 Annual Premiums								
40	45	50	55	60	65	70	75	80

*Please return the completed questionnaire or notify the Bureau of your company's non-activity in the Virginia Individual Long-Term Care Market on or before **June 15, 2005**. Completed questionnaires, questions and/or notifications may be directed to:*

*Olivia Claud
 Outreach Coordinator
 Life and Health Division, Bureau of Insurance
 P.O. Box 1157
 Richmond, VA 23218
 FAX 804 371 9944
 Or e-mail completed questionnaire to:
LTCSurvey@scc.virginia.gov*