

Review Requirements Checklist  
INDIVIDUAL HOSPITAL CONFINEMENT INDEMNITY  
(See Separate Federal Market Reform Healthcare Act Checklist When Applicable)

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
<b>General Filing Requirements</b>		
Transmittal Letter	14VAC5-100-40	<b>For Paper Filings:</b> Must be submitted in duplicate for each filing, describing each form, its intended use and kind of insurance provided.
	14VAC5-100-40 1	Forms submitted and described in transmittal letter must have a number that consists of digits, letters or a combination of both.
	14VAC5-100-40 2	Must clearly indicate if forms are replacements, revisions, or modifications of previously approved forms, and describe the exact changes that are intended.
	14VAC5-100-40 3	Certification of Compliance signed by General Counsel or officer of company, or attorney or actuary representing company is required.
	14VAC5-100-40 5	Description of market for which the forms are intended.
	14VAC5-100-40 6	<b>For Paper Filings:</b> At least one copy of each form must be included in the filing. A duplicate copy of forms must be submitted if the company wants a “stamped” copy of forms for its records. A stamped, self-addressed return envelope is required. The letter of transmittal must be addressed to: State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23218.
	Administrative Letter 1983-7	Must include the name and individual NAIC number of the company for which the filing is made.
Variable Language		All variable information must be bracketed and explained in detail. A Statement of Variability (SOV) should be provided in all cases where variable information is presented. The SOV should be detailed and specific. It should identify each variable field appearing in the forms and describe specifically how that field will vary from the text as presented. For any variable numerical information, please express the minimum and maximum values. Any variable language must be defined sufficiently so that compliance with statutory or regulatory requirements can be determined. The SOV should be provided under Supporting Documentation.
<b>Additional SERFF Filing Requirements</b>	<b>Administrative Letter 2012-03</b>	<b>Additional SERFF filing requirements must be met as specified below for life and health forms and rate filings.</b>
<b>General Information – Filing Description</b>		(i) Description of each form by name, title, edition date, other; and intended use.
		(ii) Identification of changes in benefits and premiums (previously approved or filed forms). [Place changed contract provisions (red-lined or highlighted) in Supporting Documentation].
		(iii) Identification of SERFF or state tracking number for the previously approved or filed form for which the new form revises, replaces, or is intended to be used.

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		(iv) A statement as to whether any other regulatory body has withdrawn approval of the form because the form contains one or more provisions that were deemed to be misleading, deceptive or contrary to public policy.
<b>HELP TIP:</b>		If a form or rate filing is submitted as new in Virginia, but was previously disapproved or withdrawn in Virginia, please provide details such as the state tracking information, form number, and the date that the form or rate filing was disapproved or withdrawn, if available.
<b>Rate Changes</b>		(i) Specify the number of affected policyholders.
		(ii) Provide the reason(s) for the proposed change(s).
		(iii) Include a statement regarding an increase, decrease, revision of former rates.
		(iv) Specify the percentage amount(s) of the change(s).
<b>Forms</b>		
Form Number	14VAC5-100-50 1	Form Number must appear in the lower left-hand corner of the first page of the form.
Company Name and Address	14VAC5-100-50 2	Full and proper name (including "Inc.") must appear prominently on first page or cover sheet of all forms.
Final Form	14VAC5-100-50 3	Form must be submitted in "final form" and in "John Doe fashion" to indicate its intended use.
Application	14VAC5-100-50 4	Any form, which is to be issued with an attached application, must be filed with a copy of the application completed in "John Doe" fashion to indicate its intended use. (If an application was previously approved, advise date of approval).
Type Size	14VAC5-100-50 5 14VAC5-110-50 C	Individual Accident and Sickness forms must be printed with type size of at least 10-point type.
Readable Policy Requirements	14VAC5-110-50 A	Readable policy must be a precise and accurate legal contract in form and appearance.
Table of Contents	14VAC5-110-50 B	Required for policy of more than 3 pages.
Flesch Score	14VAC5-110-50 D	Flesch score reading of 40 or more.
Readability Certification	14VAC5-110-60	Readability certification is required. Must disclose the score, number of words, sentences, and syllables for each form.
Contents of Policies	§ 38.2-305 A	Each policy/contract shall specify the: (1) The names of parties to the contract, (2) The subject of the insurance, (3) The risk insured against, (4) The time the insurance takes effect, and the period during which the insurance is to continue, (5) A statement of premium, (6) Conditions pertaining to the insurance.
Important Notice	§ 38.2-305 B	Each new or renewal policy/contract/certificate/evidence of coverage shall be accompanied by an important notice as stated in the statute.

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Arbitration	§ 38.2-312	Contract may not deprive courts of Virginia jurisdiction in actions against insurer. Arbitration may not be binding.
Fraud Notice	§ 38.2-316 D 1	Title 38.2 of the Code of Virginia does not define "Insurance Fraud". Any fraud notice that includes the term "insurance fraud" is not in compliance with this section of the Code. In Virginia, a fraud notice relating to life insurance, annuities, accident and sickness, health maintenance organizations, health services plans, credit accident and sickness and credit life insurance should not include references to imprisonment or fines. Variations in a notice warning of consequences of making fraudulent statements will be considered.
<b>Form of Policy</b>		
Entire Consideration/Premium	§ 38.2-3500 A 1	The entire consideration must be expressed in the policy.
Effective-Terminates	§ 38.2-3500 A 2	The clock time at which the policy becomes effective and terminates must be expressed in the policy.
Form Number	§ 38.2-3500 A 5	Each form, including riders and endorsements, is identified by a form number in the lower left-hand corner of the first page of the form.
Payor of Last Resort	§ 38.2-3500 A 7	Policy must contain a statement regarding the status of the Department of Medical Assistance Services as the payor of last resort.
Definition of Eligible Family Members	§ 38.2-3500 C	The definition establishes that eligible dependent children may not be required to live in the household as the policyowner.
Notice and Return of Policy	§ 38.2-3502 A	Each policy must display on the first page the specified caution notice and 10-day free look provision.
Policies that include issue ages of 65 or higher	14VAC5-170-150 E 1	Any policy marketed to persons age 65 or older must contain a notice that discloses that the policy is not a Medicare supplement policy or certificate.
<b>Required Policy Provisions</b>		
Contents of Policy	§ 38.2-305 A	Parties to policy names; subject of insurance; risk insured against; time insurance takes effect; statement of the premium.
Entire Contract; Changes	§ 38.2-3503 A 1	The policy, including endorsements and attached papers constitutes the entire contract of insurance. No change in the policy is valid until approved by an executive officer of the company, and such approval endorsed on or attached to the policy. No agent has authority to change or waive policy provisions.
Time Limit on Certain Defenses	§ 38.2-3503 A 2	After 2 years from the date of the policy, only fraudulent misstatements in the application may be used to void the policy or deny a claim.
Incontestable (optional)	§ 38.2-3503 A 2 a	After 2 years from issue during the insured's lifetime, the company cannot contest statements in the application.

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Preexisting Conditions	§ 38.2-3503 A 2 b	No claim for loss incurred or disability that starts after 1 year from the date of issue of the policy will be reduced or denied because a sickness or physical condition existed before the effective date of coverage (unless excluded by name or specific description before the date of loss).
Grace Period	§ 38.2-3503 A 3	If a renewal premium is not paid on time, it may be paid during the following 31 days. During the 31 days the policy shall continue in force. Please review entire statute for variations.
Reinstatement	§ 38.2-3503 A 4	If a renewal premium is not received within the grace period, the policy will lapse, and the individual may apply for reinstatement based on the company's guidelines. The reinstated policy will cover only loss that results from injury sustained after the reinstatement date and sickness that starts more than 10 days after such date.
Notice of Claim	§ 38.2-3503 A 5	Written notice of claim must be given to the company within 20 days after covered loss starts or as soon as reasonably possible, and should include the name of the insured or claimant, and policy number. The location should be indicated for sending notice to the company.
Claim Forms	§ 38.2-3503 A 6	The company must provide the claimant with claim forms within 15 days of notification of a claim. If not, proof of loss is met by giving the company a written statement of the nature and extent of the loss within the time limit expressed in the proofs of loss provision.
Proofs of Loss	§ 38.2-3503 A 7	For period payment, written proof of loss must be given to the company within 90 days after the end of each period for which the company is liable. For any other loss, proof must be given within 90 days of the loss. If not reasonably possible to give proof in the time provided, the company shall not reduce or deny a claim if proof is filed as soon as reasonably possible. In any event, except in the absence of legal capacity, proof must be given no later than 1 year from the time specified.
Time of Payment of Claim	§ 38.2-3503 A 8	After the company receives written proof of loss, it shall pay benefits according to a specified frequency for a specified loss. Benefits for any other loss will be paid as soon as written proof is received.
Payment of Claims	§ 38.2-3503 A 9	Benefits will be paid to the insured if living, otherwise to the beneficiary or the insured's estate. In the absence of a valid release, the company may pay up to \$2000 to someone whom the company deems entitled.
Physical Exams & Autopsy	§ 38.2-3503 A 10	The company, at its own expense, may have the insured examined as often as reasonably necessary while a claim is pending. An autopsy may also be made unless prohibited by law.
Legal Actions	§ 38.2-3503 A 11	No legal action may be brought to recover on the policy within 60 days after written proof of loss has been given. No legal action may be brought after 3 years from the time written proof of loss is required to be given.

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Change of Beneficiary	§ 38.2-3503 A 12	The insured may change the beneficiary at any time except beneficiary's consent is required in the case of an irrevocable beneficiary designation.
Cancellation By Insured	§ 38.2-3503 A 13	The insured may cancel this policy at any time by written notice to the company. In the event of cancellation, the company shall promptly return the unearned portion of any premium; the earned premium shall be computed pro rata. Cancellation shall be without prejudice to any claim originating prior to the effective date of cancellation.
Renewability of Individual Health Insurance Coverage	§ 38.2-3514.2 A	Renewal is at the option of the individual, except for specific reasons expressed in the statutes.
<b>Other Provisions</b>		
Change of Occupation	§ 38.2-3504 1	This provision sets forth the recourse in the event the insured is injured or contracts sickness after having changed his occupation to one classified by the company as more hazardous than that stated in the policy, and for when an occupation is considered by the company to be less hazardous.
Misstatement of Age	§ 38.2-3504 2	If the insured's age has been misstated, the benefits will be those the premium paid would have purchased at the correct age.
Other Insurance in this Company	§ 38.2-3504 3	If the insured has more than 1 policy with the insurer, the insured may keep the one policy he, his beneficiary or his estate has elected, and the company will return all premiums paid for all other such policies. Please review this statute for variations.
Insurance with Other Companies	§ 38.2-3504 4	If there is other valid coverage providing benefits for the same loss on a provision of service basis or on an expense incurred basis and of which the company has not been given written notice prior to the occurrence or commencement of loss, the only liability under any expense incurred coverage of this policy shall be for such proportion of the loss as the amount which would otherwise have been payable under the policy plus the total of the like amounts under all such other valid coverages for the same loss of which this company had notice bears to the total like amounts under all valid coverages for such loss.
Insurance with Other Companies	§ 38.2-3504 5	If there is other valid coverage providing benefits for the same loss on other than an expense incurred basis and of which this Company has not been given written notice prior to the occurrence or commencement of loss, the only liability for such benefits under this policy shall be for such proportion of the indemnities otherwise provided under this policy for such loss as the like indemnities of which the company has notice.
Unpaid Premium	§ 38.2-3504 7	When a claim is paid, any premium due and unpaid may be deducted from the claim payment.
Conformity with State Statutes	§ 38.2-3504 9	Any provision of the policy that on its effective date is in conflict with the laws of the state in which the insured resides on that date is amended to conform to the minimum requirements of the laws.

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Illegal Occupation	§ 38.2-3504 10	The company is not liable for any loss that results from the insured committing or attempting to commit a felony or engaging in an illegal occupation.
Intoxicants and Narcotics	§ 38.2-3504 11	The company is not liable for any loss resulting from the insured being drunk, or under the influence of any narcotic unless taken on the advice of a physician.
Definitions	14VAC5-140-40	General terms defined in connection with individual accident and sickness coverage.
Continuation of Coverage for Spouse/Deceased Insured	14VAC5-140-50 A 1	For guaranteed renewable and noncancellable policies, the spouse of the insured will become the insured in the event of the insured's death.
Age and Duration Requirements	14VAC5-140-50 C	For guaranteed renewable and noncancellable policies, the age of the younger spouse must be used as the basis for meeting the age and durational requirements of the renewability definitions.
Military Refund	14VAC5-140-50 E	If a policy includes a status type military exclusion, the insurer will provide for refund of the premium, on a pro rata basis, upon receipt of a written notice of military service.
Prohibited Policy Provisions	14VAC5-140-60	Specified provisions that are not allowed in a policy.
Authorized Exclusions	14VAC5-140-60 F	Permitted exclusions and limitations.
	14VAC5-140-60 G	Other provisions of this regulation shall not impair or limit the use of waivers to exclude, limit or reduce coverage or benefits for preexisting diseases, physical conditions or extra hazardous activity.
Required Disclosure Provisions	14VAC5-140-80	Rules for all policies and limited benefit policies.
Renewability	14VAC5-140-80 A 1	Each policy shall include a renewal, continuation or a nonrenewal provision.
Preexisting Condition	14VAC5-140-80 A 5	If a policy contains a preexisting condition limitation, the limitations must appear in a separate paragraph and labeled as "Preexisting Conditions Limitations."
Reduction of Benefits Due to Age	14VAC5-140-80 A 6	If age is used as a determining factor for reducing the maximum aggregate benefits made available in the policy as originally issued, such fact must be disclosed prominently in the policy.
Conversion Privilege (If Applicable)	14VAC5-140-80 A 7	If applicable, the policy shall name the provision, "Conversion Privilege", or similar words. The provision shall also include the person eligible for conversion, the circumstances applicable, including any limitations, and the person by whom the conversion privilege may be exercised. It shall also specify the benefits to be provided or may state that the converted coverage shall be as provided on a policy form then being used by the insurer.
Rate Filing	14VAC5-130-60	Rate schedule and certified actuarial memorandum for coverage.
<b>General Provisions</b>		
Unfair Discrimination	§ 38.2-508	No person can unfairly discriminate between individuals of the same class or essentially the same hazard with regard to benefits, coverage, eligibility, rates, policy provisions, or termination of insurance.

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Medicaid Eligibility	§ 38.2-508.3	When considering eligibility for insurability for coverage and determining benefits, Medicaid eligibility/status cannot be a factor.
Subrogation	§ 38.2-3405 A	No policy shall contain a provision regarding subrogation of any person's right to recovery for personal injuries from a third person.
Liability Insurance	§ 38.2-3405 B	Benefits may not be reduced due to benefits payable due to benefits provided by a liability insurance contract.
Worker's Compensation	§ 38.2-3405 D	The statute discusses exceptions to exclusions due to benefits payable under workers; compensation.
Handicapped Child Coverage	§ 38.2-3409	Upon termination due to age, coverage will be continued for: (1) Persons incapable of self-sustaining employment by reason of intellectual disability or physical handicap; and (2) Chiefly dependent on the insured for support and maintenance.  Additional premium may be charged based upon class of risks.
<b>Minimum Standards</b>		
Daily benefits for Hospital Confinement on an Indemnity Basis	14VAC5-140-70 D	Amount not less than \$30 per day, and not less than 31 days during any one period of confinement for each person insured under the policy.
Victims of Rape or Incest	§ 38.2-3418	Policy shall be construed to include benefits for pregnancy following rape or incest of female under 13 years of age if policy provides benefits as a result of an accident/accidental injury.

**Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:**  
<http://www.scc.virginia.gov/boi/laws.aspx>

The Forms and Rates Section of the Life and Health Division reviews individual hospital confinement indemnity insurance. Please contact this section at (804) 371-9110 if you have questions or need additional information about this line of insurance.

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I hereby certify that I have reviewed the attached individual hospital confinement indemnity filing and determined that it is in compliance with the individual hospital confinement indemnity checklist.

Signed: \_\_\_\_\_

Name (please print): \_\_\_\_\_

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_ Phone No: ( ) \_\_\_\_\_ FAX No: ( ) \_\_\_\_\_

E-Mail Address: \_\_\_\_\_