Sec. 38a-528-4. Minimum standards

No group insurance policy or subscriber contract or certificate shall be advertised, solicited or issued for delivery in this state as a long-term care policy or certificate which does not meet the following minimum standards. These are minimum standards and do not preclude the inclusion of other provisions or benefits which are not inconsistent with these standards. These standards are in addition to all other requirements of this regulation.

(a) **Continuation**.

(1) All group long-term care policies or subscriber contracts and certificates shall include a provision which allows the certificateholder to continue coverage or convert to an individual long-term care policy or subscriber contract in the event of the cancellation, nonrenewal or termination of the group policy or contract. Conversion is to be made without evidence of insurability and without pre-existing conditions limitations or waiting periods, with an effective date that coincides with the date coverage ceased under the group plan.

(2) Any insured individual whose eligibility for group long-term care coverage is based upon his or her relationship to another person, shall be entitled to continue coverage under the group policy or convert to an individual long-term care policy or subscriber contract upon termination of the qualifiying relationship by death or dissolution of marriage. Conversion is to be made without evidence of insurability and without pre-existing conditions limitations or waiting periods, with a effective date that coincides with the date coverage ceased under the group plan.

(3) If a group long-term care policy or subscriber contract is replaced by another policy or contract issued to the same policyholder, the succeeding carrier shall offer coverage to all persons covered under the previous policy or contract on the date of its termination. Coverage shall be made available without evidence of insurability or pre-existing conditions limitations or waiting periods and with an effective date that coincides with the termination of coverage under the preceeding policy.

(b) A long-term care policy shall not deny a claim for loss which occurs or confinement which begins more than six (6) months from the effective date of coverage for a pre-existing condition. The policy or subscriber contract shall not define a pre-existing condition more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician within six (6) months before the effective date of coverage.

(c) A long-term care policy shall not idemnify against losses resulting from sickness on a different basis from losses resulting from accidents.

(d) **Limitations and Exclusions.** A long-term care policy or certificate shall not include limitations or exclusions which are more restrictive than the following:

(1) PRE-EXISTING CONDITIONS LIMITATION - This policy (or certificate) does not pay benefits for loss which occurs or confinement which begins within six months after the effective date of coverage as a result of a pre-existing condition.

(2) OTHER EXCLUSIONS - This policy (or certificate) does not cover: (i) loss which is caused by declared or undeclared war or any act thereof; (ii) loss which is caused by mental disease or disorder without demonstrable organic disease; (iii) loss which is caused by suicide or any attempt thereof (while sane or insane), or intentionally self-inflicted injury; (iv) confinement in a government institution unless a charge is made which the covered

person is obligated to pay; (v) confinement due to alcoholism or drug addiction; (vi) confinement in a hospital; or (vii) confinement or care received outside of the United States.

(3) A policy (or certificate) may provide that its benefits shall not duplicate benefits payable by Medicare.

(e) No long-term care policy shall use waivers to exclude, limit or reduce coverage or benefits for specifically named or described pre-existing diseases or physical conditions.

(f) Long-term care policies shall make reasonable provision for waiver of premium. As to benefits for institutional confinement, this requirement is met if the policy provides for a waiver of premium after benefits have been paid for ninety (90) consecutive days and thereafter during the continuance of the consecutive days for which benefits are paid.

(g) Long-term care certificates, other than those issued pursuant to direct response solicitation, shall have a notice prominently printed on the first page of the certificate or attached thereto stating in substance that the insured person shall have the right to return the certificate to the insurer or its agent within thirty (30) days of its delivery and to have the premium refunded if, after examination of the certificate, the insured person is not satisfied for any reason. Long-term care certificates issued pursuant to a direct response solicitation shall have a notice prominently printed on the first page or attached thereto stating in substance that the insured person shall have the right to return the certificate to the insurer within thirty (30) days of its delivery and to have the premium refunded if after examination the insured person is not satisfied for any reason.

(h) Long-term care policies shall not condition benefits upon prior hospitalization or institutionalization.

(i) Long-term care policies must include a provision which states that upon notification to the company of a person's death, the company will refund on a pro-rata basis any part of a periodic premium paid by that person which applies to the period after death.

(j) Long-term care policies shall not have an elimination period greater than one hundred (100) days of confinement.

(k) Long-term care certificates shall include a provision that coverage thereunder shall be incontestable, except for nonpayment of premium, after it has been in force for two years from its date of issue.

(*l*) **Extension of Benefits.** Termination of long-term care insurance shall be without prejudice to any benefits payable for institutionalization if such institutionalization began while the long-term care insurance was in force and continues without interruption after termination. Such extension of benefits beyond the period the long-term care insurance was in force may be limited to the duration of the benefit period, if any, or to payment of the maximum benefits and may be subject to any policy waiting period, and all other applicable provisions of the policy.

(m) The premiums charged to an insured for long-term care insurance shall not increase due solely to either the increasing age of the insured at ages beyond sixty-five (65) or the duration the insured has been covered under the policy.

(n) The requirement that a long-term care insurance policy provide benefits for at least one year of confinement after a reasonable elimination period shall be met by providing benefits solely for confinement in a nursing home, solely for confinement at home, or for confinement either in a nursing home or at home.

(o) **Payment of Benefits.** A long-term care policy which provides for the payment of benefits based on standards described as "usual and customary," "reasonable and customary" or words of similar import shall include a definition of such terms and an explanation of such terms in its accompanying outline of coverage.

(p) Long-term care certificates which only provide benefits for confinement in the insured's own home shall include a statement to that effect on the first page of the certificate in bold print.

(q) A long-term care insurance policy that provides benefits for home health care, shall not limit or exclude such benefits (1) by requiring that the insured would need skilled care in a skilled nursing facility if home care services were not provided; (2) by requiring that the insured first or simultaneously receive nursing and/or therapeutic services in a home, community or institutional setting before home health care services are covered; (3) by limiting eligible services to services provided by registered nurses or licensed practical nurses; (4) by requiring that a nurse or therapist provide services covered by the policy that can be provided by a home health aide or other home care worker acting within the scope of his or her licensure or certification; (5) by excluding coverage for personal care services provided by a home health aide; (6) by requiring that the provision of home health care services be at a level of certification or licensure greater than that required by the eligible service; (7) by requiring that the insured have an acute condition before home health care services are covered; (8) by limiting benefits to services provided by Medicare-certified agencies or providers; (9) by excluding coverage for adult day care, hospice care, skilled nursing care, or physical, occupational, respiratory or speech therapy.

(r) The application for every long-term care certificate shall include a section inviting the applicant to give the name of an individual who is to receive notice of lapse concurrently with any such notice sent to the certificateholder. Along with space for the name and address of such individual, this section shall include a notice to the applicant as follows (or in substantially similar language): YOU WILL RECEIVE NOTICE IF YOUR COVERAGE IS ABOUT TO LAPSE (TERMINATE) BECAUSE YOU HAVE NOT PAID PREMIUMS. WE WILL BE GLAD TO SEND A COPY OF THIS NOTICE TO ANOTHER PERSON, IF YOU WOULD LIKE. THAT PERSON WILL NOT BE RESPONSIBLE FOR PAYMENT OF THE PREMIUM, AND YOU WILL ALWAYS RECEIVE YOUR OWN COPY OF THE NOTICE. IF YOU WANT AN EXTRA COPY SENT TO ANOTHER PERSON, PLEASE GIVE US THAT PERSON'S NAME AND ADDRESS.

(Effective September 30, 1994)