

Sec. 38a-528-9. Standards for marketing

(a) Every insurer, fraternal benefit society, hospital service corporation, medical service corporation or health care center marketing long-term care insurance coverage in this state, directly or through its producers shall:

(1) Establish marketing procedures to assure that any comparison of policies by its agents or other producers will be fair and accurate.

(2) Establish marketing procedures to assure excessive insurance is not sold or issued.

(3) Display prominently by type, stamp or other appropriate means on the first page of the outline of coverage and certificate the following:

“Notice to buyer: This policy may not cover all of the costs associated with long-term care incurred by the buyer during the period of coverage. The buyer is advised to review carefully all policy limitations.”

(4) Inquire and otherwise make every reasonable effort to identify whether a prospective applicant or enrollee for long-term care insurance already has accident and sickness or long-term care insurance and the types and amounts of any such insurance.

(5) Every insurer or other entity marketing long-term care insurance shall establish auditable procedures for verifying compliance with this subsection.

(6) Provide, at solicitation, written notice to the prospective certificateholder of the availability of any insurance counselling program that may be provided or approved by any state agency for this purpose, together with the name, address and telephone number of such program.

(b) In addition to the practices prohibited in Sections 38a-815 to 38a-831, inclusive, of the General Statutes the following acts and practices are prohibited:

(1) Twisting. Knowingly making any misleading representation or incomplete or fraudulent comparison of any insurance policies or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on or convert any insurance policy or to take out a policy of insurance with another insurer.

(2) High pressure tactics. Employing any method of marketing having the effect of or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance.

(3) Cold lead advertising. Making use directly or indirectly of any method of marketing which fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by a producer or insurance company.

(Effective September 30, 1994; Amended September 9, 2013)