



6.6.3120 ADOPTION OF FORMS

- LTC Form A

Company Name: _____

Address: _____

Phone Number: _____

Instructions:

The purpose of this form is to report all rescissions of long-term care insurance policies. Those rescissions voluntarily effectuated by an insured are not required to be included in this report. Please furnish one form per rescission.

Policy Form #	Policy and Certificate #	Name of Insured	Date of Policy Issuanc e	Date/s Claim/s Submitte d	Date of Rescission

Detailed reason for rescission: _____

Signature

Name and Title (please type)

Date

(b) LTC Form B Long-Term Care Insurance

Personal Worksheet

LTC FORM B

Long-Term Care Insurance

Personal Worksheet

This worksheet will help you understand some important information about this type of insurance. Montana law requires companies issuing this [policy][certificate][rider] to give you some important facts about premiums and premium increases and to ask you some important questions to help you and the company decide if you should buy this [policy][certificate][rider]. Long-term care insurance can be expensive and it may not be right for everyone.

Premium Information

Policy Form Numbers

The premium for the coverage you are considering will be \$[] per [insert payment interval] or a total of [\$[] per year][a one-time single premium of \$[]].

The premium quoted in this worksheet is not guaranteed and may change during the underwriting process and in the future while this [policy][certificate][rider] is in force.

Type of Policy & The Company's Right to Increase Premiums on the Coverage You Choose:

[Noncancellable – The company cannot increase your premiums on this [policy][certificate][rider]].

[Guaranteed renewable – The company can increase your premiums on this [policy][certificate][rider] in the future if it increases the premiums for all [policies][certificates][riders] like yours in Montana.]

[Paid-up – This [policy][certificate][rider] will be paid-up after you have paid all of the premiums specified in your [policy][certificate][rider]].

Premium Increase History

[Name of company] has sold long-term care insurance since [year] and has sold this [policy][certificate][rider] since [year]. [The company has never raised its premiums for any long-term care [policy][certificate][rider] it has sold in this state or any other state.] [The company has not increased its premiums for this [policy][certificate][rider] or similar [policies][certificates][riders] in this state or any other state in the last 10 years.] [The company has increased its premiums on this [policy][certificate][rider] or similar [policies][certificates][riders] in the last 10 years. Following is a summary of the increases.]

[Over the past 10 years, the company has increased premiums on this [policy][certificate][rider] or similar [policies][certificates][riders] by __%. A summary of the premium increases in the last 10 years is attached to this worksheet.]

Questions Related to Your Income

You do not have to answer the following questions. They are intended to make sure you have thought about how you'll pay premiums and the cost of care your insurance does not cover. If you do not want to answer these questions, you should understand that the company might refuse to insure you.

What resources will you use to pay your premium?

☐ Current income from employment ☐ Current income from investments ☐ Other current income ☐ Savings ☐ Sell investments ☐ Sell other assets ☐ Money from my family

☐ Other: _____

Could you afford to keep this [policy][certificate][rider] if your spouse or partner dies first?

☐ Yes ☐ No ☐ Had not thought about it ☐ Do not know ☐ Does not apply

[What would you do if the premiums went up, for example, by 50%?

☐ Pay the higher premium ☐ Call the company/producer ☐ Reduce benefits ☐ Drop the [policy][certificate][rider] ☐ Do not know]

What is your household annual income from all sources? (check one) ☐ Under \$10,000 ☐ \$10,000-20,000

☐ \$20,000-30,000

☐ \$30,000-50,000

☐ Over \$50,000

Do you expect your income to change over the next 10 years? (check one)

☐ No change

☐ Yes, expect increase

☐ Yes, expect decrease

If you plan to pay premiums from your income, have you thought about how a change in your income would affect your ability to continue to pay the premium?

☐ Yes ☐ No ☐ Do not know

Will you buy inflation protection: (check one) ☐ Yes ☐ No

Inflation may increase the cost of long-term care in the future.

If you do not buy inflation protection, how will you pay for the difference between future costs and your daily benefit amount?

☐ From my Income ☐ From my Savings ☐ From my investments ☐ Sell other assets ☐ Money from my family ☐ Other: _____

The national average annual cost of care in [insert year] was [insert \$ amount], but this figure varies across the country. In ten years the national average annual cost would be about [insert \$ amount] if costs increase 5% annually.

What [elimination period][waiting period][cash deductible] are you considering? [Number of days _____ in [elimination period][waiting period]

Approximate cost of care for this period: \$_____.

(\$xxx per day times the number of days in [elimination period][waiting period], where "xxx" represents the most recent estimate of the national daily average cost of long-term care)]

[Cash deductible \$_____]

How are you planning to pay for your care during the [elimination period][waiting period][deductible period]? (check all that apply)

☐ From my Income ☐ From my savings/investments ☐ My family will pay

Questions Related to Your Savings and Investments

Not counting your home, about how much are all of your assets (your savings and investments) worth?

(check one)

~ Under \$20,000
Over \$50,000

~ \$20,000-\$30,000

~ \$30,000-\$50,000

~

How do you expect your assets to change over the next 10 years? (check one)

~ Stay about the same

~ Increase

~ Decrease

If you are buying this [policy][certificate][rider] to protect your assets and your assets are less than \$50,000, experts suggest you think about other ways to pay for your long-term care.

Disclosure Statement

☐ The answers to the questions above describe my financial situation.

Or

☐ I choose not to complete this information.

(Check one.)

☐ I acknowledge that the carrier and/or its producer (below) has reviewed this form with me including the premium, premium rate increase history and potential for premium increases in the future. [For direct mail situations, use the following: I acknowledge that I have reviewed this form including the premium, premium rate increase history and potential for premium increases in the future.] I understand the information contained in this worksheet. (This box must be checked.)

Signed: _____
(Applicant) (Date)

[☐ I explained to the applicant the importance of completing this information.]

Signed: _____
(Applicant) (Date)

Producer's Printed Name: _____]

In order for us to process your application, please return this signed statement to [name of company], along with your application.]

[My producer has advised me that this [policy][certificate][rider] does not seem to be suitable for me. However, I still want the company to consider my application.]

Signed: _____

(Applicant)

(Date)

Someone from the company may contact you to discuss your answers and the suitability of this [policy][certificate][rider] for you.

(c) LTC Form C

Things You Should Know Before You Buy Long-Term Care Insurance

LTC FORM C

Things You Should Know Before You Buy

Long-Term Care Insurance

Long-Term



A long-term care insurance policy may pay most of the costs for your care in a nursing home. Many policies also pay for care at home or other community settings. Since policies can vary in coverage, you should read this policy and make sure you understand what it covers before you buy it.

_____ ■

[You should not buy this insurance policy unless you can afford to pay the premiums every year.] [Remember that the company can increase premiums in the future.]

_____ ■

The personal worksheet includes questions designed to help you and the company determine whether this policy is suitable for your needs.

Medicare ■

Medicare does not pay for most long-term care.

Medicaid ■

Medicaid will generally pay for long-term care if you have very little income and few assets. You probably should not buy this policy if you are now eligible for Medicaid.

_____ ■

Many people become eligible for Medicaid after they have used up their own financial resources by paying for long-term care services.

_____ ■

When Medicaid pays your spouse's nursing home bills, you are allowed to keep your house and furniture, a living allowance, and some of your joint assets.

_____ ■

Your choice of long-term care services may be limited if you are receiving Medicaid. To learn more about Medicaid, contact your local or state

Medicaid agency.

- Shopper's ■
Guide Make sure the insurance company or agent gives you a copy of a book called the National Association of Insurance Commissioners' "Shopper's Guide to Long-Term Care Insurance." Read it carefully. If you have decided to apply for long-term care insurance, you have the right to return the policy within 30 days and get back any premium you have paid if you are dissatisfied for any reason or choose not to purchase the policy.

- Counseling ■ Free counseling and additional information about long-term care insurance are available through your state's insurance counseling program. Contact your state insurance department or department on aging for more information about the senior health insurance counseling program in your state.

- Facilities ■ Some long-term care insurance contracts provide for benefit payments in certain facilities only if they are licensed or certified, such as in assisted living centers. However, not all states regulate these facilities in the same way. Also, many people move into a different state from where they purchased their long-term care insurance policy. Read the policy carefully to determine what types of facilities qualify for benefit payments, and to determine that payment for a covered service will be made if you move to a state that has a different licensing scheme for facilities than the one in which you purchased the policy.

(d) LTC Form D Long-Term Care Insurance Suitability Letter

LTC FORM D

Long-Term Care Insurance Suitability Letter

Dear [Applicant]:

Your recent application for long-term care insurance included a "personal worksheet," which asked questions about your finances and your reasons for buying long-term care insurance. For your protection, state law requires us to consider this information when we review your application, to avoid selling a policy to those who may not need coverage.

[Your answers indicate that long-term care insurance may not meet your financial needs. We suggest that you review the information provided along with your application, including the booklet "Shopper's Guide to Long-Term Care Insurance" and the page titled "Things You Should Know Before Buying Long-Term Care Insurance." Your state insurance department also has information about long-term care insurance and may be able to refer you to a counselor, free of charge, who can help you decide whether to buy this policy.]

[You chose not to provide any financial information for us to review.]

We have suspended our final review of your application. If, after careful consideration, you still believe this policy is what you want, check the appropriate box below and return this letter to us within the next 60 days. We will then continue reviewing your application and issue a policy if you meet our medical standards.

If we do not hear from you within the next 60 days, we will close your file and not issue you a policy. You should understand that you will not have any coverage until we hear back from you, approve your application and issue you a policy.

Please check one box and return in the enclosed envelope.

☐ **Yes** , [although my worksheet indicates that long-term care insurance may not be a suitable purchase.] I wish to purchase this coverage. Please resume review of my application.

☐ **No** , I have decided not to buy a policy at this time.

APPLICANT'S SIGNATURE _____

DATE _____

Please return to [issuer] at [address] by [date]

(e) LTC Form E Claims Denial Reporting Form

LTC FORM E

Claims Denial Reporting Form

Long-Term Care Insurance

For the State of Montana

For the Reporting Year of _____

Company Name : _____ Due: June 30 annually

Company Address: _____

Company NAIC: _____ Number: _____

Contact Person: _____ Phone Number: _____

Line of Business: Individual Group

Instructions:

The purpose of this form is to report all long-term care claim denials under in-force long-term care insurance policies. Indicate the manner of reporting by checking one of the boxes below:

☐ Per Claimant – counts each individual who makes one or a series of claim requests.

☐ Per Transaction – counts each claim payment request.

"Denied" means a claim that is not paid for any reason other than for claims not paid for failure to meet the waiting period or because of an applicable preexisting condition.

Inforce Data

State Data	Nationwide Data ¹
---------------	---------------------------------

Total Number of Inforce Policies [Certificates] as of December
31st

Claim & Denial Data

	State Data	Nationwide Data ¹
1	Total Number of Long-Term Care Claims Reported	
2	Total Number of Long-Term Care Claims Denied/Not Paid	
3	Number of Claims Not Paid due to Preexisting Condition Exclusion	
4	Number of Claims Not Paid due to Waiting (Elimination) Period Not Met	
5	Net Number of Long-Term Care Claims Denied for Reporting Purposes (Line 2 Minus Line 3 Minus Line 4)	
6	Percentage of Long-Term Care Claims Denied of Those Reported (Line 5 Divided by Line 1)	
7	Number of Long-Term Care Claims Denied due to:	
8	■ Long-Term Care Services ²	
9	■ Provider/Facility Not Qualified under the Policy ³	
10	■ Benefit Eligibility Criteria Not Met ⁴	
11	■ Other	

1. The nationwide data may be viewed as a more representative and credible indicator where the data for claims reported and denied for your state are small in number.

2. Example—home health care claim filed under a nursing home only policy.

3. Example—a facility that does not meet the minimum level of care requirements or the licensing requirements as outlined in the policy.

4. Examples—a benefit trigger not met, certification by a licensed health care practitioner not provided, no plan of care.

LTC Form F

Instructions:

Insurers shall provide all of the following information to the applicant regarding premium, premium adjustments, potential premium increases, and policyholder options in the event of a premium increase except as noted below. This form does not need to be provided in the event the policy does not reserve the right to increase rates.

As used in this form:

"Policy" shall mean policy, certificate, or rider, as applicable.

"Premium" shall include premium schedules, as applicable.

Companies may substitute whichever term is appropriate to reflect the long-term care insurance for which the applicant is applying.

Long-Term Care Insurance

Potential Premium Increase Disclosure Form

Important Notice: Your long-term care insurance company may increase the premium for your policy every year. You have certain rights and it is important that you understand them before you buy a long-term care insurance policy. Please read this information and be sure you understand it before you buy a policy.

This policy is guaranteed renewable. Companies can increase the premiums for guaranteed renewable policies in the future. The company cannot increase your premiums because you are older or your health declines. It can increase premiums based on the experience of all individuals with a policy like yours.

1. What Is Your Premium?

The producer has quoted you a premium of \$[] for this policy. This is not a final premium. The premium might change during the underwriting process or if you choose different benefits. The premium you will be required to pay for your policy will be [shown on the schedule page of][attached to] your policy.

2. How Will I Know If My Premium Is Changing?

The company will send you a notice. The notice will include the new premium and when you will start paying it. It also will give you ways you could avoid paying a higher premium. One likely choice will be to keep your insurance policy, but with fewer or lower benefits than you bought. Another choice may be to stop paying premiums and have a "paid-up" policy with fewer or lower benefits than the policy you bought. You may have other choices.

Contingent Nonforfeiture

If the premium rate for your policy goes up in the future and you didn't buy a nonforfeiture option, you may be eligible for contingent nonforfeiture. Here's how to tell if you are eligible:

You will keep some long-term care insurance coverage, if:

â—è

Your premium after the increase exceeds your original premium by the percentage shown (or more) in the following table; and

â—è You lapse (do not pay more premiums) within 120 days of the increase.

The amount of coverage (i.e., new lifetime maximum benefit amount) you will keep will equal the total amount of premiums you've paid since your policy was first issued. If you have already received benefits under the policy, so that the remaining maximum benefit amount is less than the total amount of premiums you've paid, the amount of coverage will be that remaining amount.

Except for this reduced lifetime maximum benefit amount, all other policy benefits will remain at the levels attained at the time of the lapse and will not increase thereafter.

Should you choose this Contingent Nonforfeiture option, your policy, with this reduced maximum benefit amount, will be considered "paid-up" with no further premiums due.

Example:

â—è

You bought the policy at age 65 and paid the \$1,000 annual premium for 10 years, so you have paid a total of \$10,000 in premium.

â—è

In the eleventh year, you receive a rate increase of 50%, or \$500 for a new annual premium of \$1,500, and you decide to lapse the policy (not pay any more premiums.)

â—è

Your "paid-up" policy benefits are \$10,000 (provided you have at least \$10,000 of benefits remaining under your policy.)

Contingent Nonforfeiture

Cumulative Premium Increase over Initial Premium

That Qualifies for Contingent Nonforfeiture

(Percentage increase is cumulative from date of original issue. It does NOT represent a one-time increase.)

Issue Age	Percent Increase Over Initial Premium
29 and under	200%
30-34	190%
35-39	170%
40-44	150%
45-49	130%
50-54	110%
55-59	90%

60	70%
61	66%
62	62%
63	58%
64	54%
65	50%
66	48%
67	46%
68	44%
69	42%
70	40%
71	38%
72	36%
73	34%
74	32%
75	30%
76	28%
77	26%
78	24%
79	22%
80	20%
81	19%
82	18%
83	17%
84	16%
85	15%
86	14%
87	13%
88	12%
89	11%

90 and over	10%
-------------	-----

[The following contingent nonforfeiture disclosure need only be included for those limited pay policies to which ARM 6.6.3119(4)(c) and (e) of the regulation are applicable].

In addition to the contingent nonforfeiture benefits described above, the following reduced "paid-up" contingent nonforfeiture benefit is an option in all policies that have a fixed or limited premium payment period, even if you selected a nonforfeiture benefit when you bought your policy. If both the reduced "paid-up" benefit AND the contingent benefit described above are triggered by the same rate increase, you can choose either of the two benefits.

You are eligible for the reduced "paid-up" contingent nonforfeiture benefit when all three conditions shown below are met:

1. The premium you are required to pay after the increase exceeds your original premium by the same percentage or more shown in the chart below:

Triggers for a Substantial Premium Increase

Issue Age	Percent Increase Over Initial Premium
Under 65	50%
65-80	30%
Over 80	10%

2. You stop paying your premiums within 120 days of when the premium increase took effect;
and

3. The ratio of the number of months you already paid premiums is 40% or more than the number of months you originally agreed to pay.

If you exercise this option your coverage will be converted to reduced "paid-up" status. That means there will be no additional premiums required. Your benefits will change in the following ways:

- a. The total lifetime amount of benefits your reduced paid up policy will provide can be determined by multiplying 90% of the lifetime benefit amount at the time the policy becomes paid up by the ratio of the number of months you already paid premiums to the number of months you agreed to pay them.
- b. The daily benefit amounts you purchased will also be adjusted by the same ratio.

If you purchased lifetime benefits, only the daily benefit amounts you purchased will be adjusted by the applicable ratio.

Example:

- You bought the policy at age 65 with an annual premium payable for 10 years.
- In the sixth year, you receive a rate increase of 35% and you decide to stop paying premiums.
- Because you already paid 50% of your total premium payments and that is more than the 40% ratio, your "paid-up" policy benefits are .45 (.90 times .50) times the total benefit amount that was in effect when you stopped paying your premiums. If you purchased inflation protection, it will not continue to apply to the benefits in the reduced "paid-up" policy.

(g) LTC Form G Replacement and Lapse Reporting Form

LTC Form G

Long-Term Care Insurance

Replacement and Lapse Reporting Form

For the State of Montana

For the Reporting Year of _____

Company Name: _____

Due: June 30 annually

Company Address: _____

Company NAIC # _____

Company NAIC Number: _____

Contact Person: _____

Phone Number: __ (____) _____

Instructions

The purpose of this form is to report, on a statewide basis, information regarding long-term care insurance policy replacements and lapses. Specifically, every insurer shall maintain records for each agent on that agent's amount of long-term care insurance replacement sales as a percent of the agent's total annual sales and the amount of lapses of long-term care insurance policies sold by the agent as a percent of the agent's total annual sales. The tables below should be used to report the 10% of the insurer's agents with the greatest percentages of replacements and lapses.

Listing of the 10% of Agents with the Greatest Percentage of Replacements

Agent's Name	Number of Policies Sold by This Agent	Number of Policies Replaced by This Agent	Number of Replacements as % of Number Sold by this Agent
--------------	---------------------------------------	---	--

Listing of the 10% of Agents with the Great Percentage of Lapses

Agent's Name	Number of Policies Sold by This Agent	Number of Policies Lapsed by This Agent	Number of Lapses as % of Number Sold by This Agent
--------------	---------------------------------------	---	--

--	--	--	--

Company Totals:

Percentage of Replacement Policies Sold to Total Sales _____%

Percentage of Replacement Policies Sold to Policies in Force (as of the end of the preceding calendar year) _____%

Percentage of Lapsed Policies to Total Annual Sales _____%

Percentage of Lapsed Policies to Policies in Force (as of the end of the preceding calendar year) _____%

(h) LTC Form H Guidelines for Long-Term Care Independent Review Entities

LTC FORM H

Guidelines for Long-Term Care Independent Review Entities

In order for an organization to qualify as an independent review organization for long-term care insurance benefit trigger decisions, it shall comply with all of the following:

a. The independent review organization shall ensure that all health care professionals on its staff and with whom it contracts to provide benefit trigger determination reviews hold a current unrestricted license or certification to practice a health care profession in the United States.

b. The independent review organization shall ensure that any health care professional on its staff and with whom it contracts to provide benefit trigger determination reviews who is a physician holds a current certification by a recognized American medical specialty board in a specialty appropriate for determining an insured's functional or cognitive impairment.

c. The independent review organization shall ensure that any health care professional on its staff and with whom it contracts to provide benefit trigger determination reviews who is not a physician holds the current

certification in the specialty in which that person is licensed, by a recognized American specialty board in a specialty appropriate for determining an insured's functional or cognitive impairment.

d. The independent review organization shall ensure that all health care professionals on its staff and with whom it contracts to provide benefit trigger determination reviews have no history of disciplinary actions or sanctions including, but not limited to, the loss of staff privileges or any participation restriction taken or pending by any hospital or state or federal government regulatory agency.

e. The independent review organization shall ensure that neither it, nor any of its employees, agents, or licensed health care professionals it utilizes for benefit trigger determination reviews receives compensation of any type that is dependent on the outcome of the review.

f. The independent review organization shall ensure that neither it, nor any of its employees, agents, or licensed healthcare professionals it utilizes for benefit trigger determination reviews are in any manner related to, employed by, or affiliated with the insurer, insured, or with a person who previously provided medical care or long-term care services to the insured.

g. The independent review organization shall provide a description of the qualifications of the reviewers retained to conduct independent review of long-term care insurance benefit trigger decisions, including the reviewer's current and past employment history, practice affiliations, and a description of past experience with decisions relating to long-term care, functional capacity, dependency in activities of daily living, or in assessing cognitive impairment. Specifically, with regard to reviews of tax qualified long-term care insurance contracts, it must demonstrate the ability to assess the severity of cognitive impairment requiring substantial supervision to protect the individual from harm, or with assessing deficits in the ability to perform without substantial assistance from another person at least two activities of daily living for a period of at least 90 days due to a loss of functional capacity.

h. The independent review organization shall provide a description of the procedures employed to ensure that reviewers conducting independent reviews are appropriately licensed, registered, or certified; trained in the principles, procedures, and standards of the independent review organization; and knowledgeable about the functional or cognitive impairments associated with the diagnosis and disease staging processes, including expected duration of such impairment, which is the subject of the independent review.

i. The independent review organization shall provide the number of reviewers retained by the independent review organization and a description of the areas of expertise available from such reviewers and the types of cases such reviewers are qualified to review (e.g., assessment of cognitive impairment or inability to perform activities of daily living due to a loss of functional capacity).

j. The independent review organization shall provide a description of the policies and procedures employed to protect confidentiality of protected health information, in accordance with federal and state law.

k. The independent review organization shall provide a description of its quality assurance program.

l. The independent review organization shall provide the names of all corporations and organizations owned or controlled by the independent review organization or which own or control the organization, and the nature and extent of any ownership or control. The independent review organization shall ensure that neither it, nor any of its employees, agents, or licensed health care professionals utilized are not a subsidiary of, or owned or controlled by, an insurer or by a trade association of insurers of which the insured is a member.

m. The independent review organization shall provide the names and resumes of all directors, officers, and executives of the independent review organization.

Authorizing statute(s): 33-1-313, 33-22-1121, MCA

Implementing statute(s): 33-22-1101, 33-22-1102, 33-22-1103, 33-22-1107, 33-22-1108, 33-22-1111, 33-22-1112, 33-22-1113, 33-22-1114, 33-22-1115, 33-22-1116, 33-22-1117, 33-22-1119, 33-22-1120, 33-22-1121, MCA

History: NEW, 1995 MAR p. 2242, Eff. 1/1/96; TRANS & AMD, from ARM 6.6.5604, 1998 MAR p. 3271, Eff. 12/18/98; AMD, 2008 MAR p. 615, Eff. 10/1/08; AMD, 2019 MAR p. 126, Eff. 1/1/20.