6.6.3128 AVAILABILITY OF NEW SERVICES OR PROVIDERS

(1) An issuer shall notify policyholders of the availability of a new long-term policy series that provides coverage for new long-term care services or providers, material in nature, and not previously available through the issuer to the general public. The notice shall be provided within twelve months of the date the new policy series is made available for sale in Montana.

(2) Notwithstanding (1), notification is not required for any policy issued prior to the effective date of this rule or to any policy issued prior to the effective date of this rule or to any policyholder or certificateholder who is currently eligible for benefits within an elimination period or on a claim, or who previously had been in claim status, or who would not be eligible to apply for coverage due to issue age limitations under the new policy. The issuer may require that policyholders meet all eligibility requirements, including underwriting and payment of the required premium to add such new services or providers.

(3) The issuer shall make the new coverage available in one of the following ways:

(a) by adding a rider to the existing policy and charging a separate premium for the new rider based on the insured's attained age;

(b) by exchanging the existing policy for one with an issue age based on the present age of the insured and recognizing past insured status by granting premium credits toward the premiums for the new policy. The premium credits shall be based on premiums paid or reserves held for the prior policy;

(c) by exchanging the existing policy for a new policy in which consideration for past insured status shall be recognized by setting the premium for the new policy at the issue age of the policy being exchanged. The cost for the new policy may recognize the difference in reserves between the new policy and the original policy; or

(d) by an alternative program developed by the issuer that meets the intent of this rule if the program is filed with and approved by the commissioner.

(4) An issuer is not required to notify policyholders of a new proprietary policy series created and filed for use in a limited distribution channel. For purposes of this section, "limited distribution channel" means through a discrete entity, such as a financial institution or brokerage, for which specialized products are available that are not available for sale to the general public. Policyholders that purchased such a new proprietary policy shall be notified when a new long-term care policy series that provides coverage for new long-term care services or providers, material in nature, is made available to that limited distribution channel.

(5) Policies issued pursuant to this rule shall be considered exchanges and not replacements. These exchanges shall not be subject to ARM 6.6.3109 and 6.6.3118, and the reporting requirements of ARM 6.6.3109A(1) through (5).

(6) Where the policy is offered through an employer, labor organization, professional, trade, or occupational association, the required notification in (1) shall be made to the offering entity. However, if the policy is issued to a group defined in 33-22-1107, MCA, the notification shall be made to each certificateholder.

(7) Nothing in this rule prohibits an issuer from offering any policy, rider, or coverage change to any policyholder or certificateholder. However, upon request, any policyholder may apply for currently available coverage that includes the new services or providers. The issuer may require that policyholders meet all eligibility requirements, including underwriting and payment of the required premium to add such new services or providers.

(8) This rule does not apply to life insurance policies or riders containing accelerated long-term care benefits.

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, 2008 MAR p. 615, Eff. 10/1/08.