

31A-22-1409 Statements of coverage.

- (1) An outline of coverage shall be delivered to a prospective applicant for long-term care insurance at the time of initial solicitation through means which prominently direct the attention of the applicant to the document and its purpose.
- (2) The commissioner may prescribe a standard format of an outline of coverage, including style, arrangement, and overall appearance, and the content.
- (3) In the case of agent solicitations an agent shall deliver the outline of coverage prior to the presentation of any application or enrollment form.
- (4) In the case of direct response solicitations, the outline of coverage shall be presented in conjunction with any application or enrollment form.
- (5) An outline of coverage under this section shall include:
 - (a) a description of the principal benefits and coverage provided in the policy;
 - (b) a statement of the principal exclusions, reductions, and limitations contained in the policy;
 - (c) a statement of the terms under which the policy or certificate, or both, may be continued in force or discontinued, including any reservation in the policy of a right to change premium;
 - (d) a specific description of continuation or conversion provisions of group coverage;
 - (e) a statement that the outline of coverage is not a contract of insurance but a summary only and that the policy or group master policy contains governing contractual provisions;
 - (f) a description of the terms under which the policy or certificate may be returned and premium refunded;
 - (g) a brief description of the relationship of cost of care and benefits; and
 - (h) a statement that discloses to the policyholder or certificate holder whether the policy is intended to be a federally tax-qualified, long-term care insurance contract under Section 7702B(b), Internal Revenue Code.
- (6) A certificate issued pursuant to a group long-term care insurance policy, which policy is delivered or issued for delivery in this state, shall include:
 - (a) a description of the principal benefits and coverage provided in the policy;
 - (b) a statement of the principal exclusions, reductions, and limitations contained in the policy;
 - (c) a statement that the group master policy determines governing contractual provisions; and
 - (d) a statement that any long-term care inflation protection option required by rule is not available under the policy.
- (7) If an application for a long-term care contract or certificate is approved, the issuer shall deliver the contract or certificate of insurance to the applicant no later than 30 days after the date of approval.
- (8) At the time of policy delivery, a policy summary shall be delivered for an individual life insurance policy which provides long-term care benefits within the policy or by rider. In the case of direct response solicitations, the insurer shall deliver the policy summary upon the applicant's request. However, the insurer shall deliver the summary to the applicant no later than at the time of policy delivery regardless of request. In addition to complying with all applicable requirements, the summary shall also include:
 - (a) an explanation of how the long-term care benefit interacts with other components of the policy, including deductions from death benefits;
 - (b) an illustration for each covered person of the amount of benefits, the length of benefit, and the guaranteed lifetime benefits if any;
 - (c) any exclusions, reductions, and limitations on benefits of long-term care; and
 - (d) if applicable to the policy type, the summary shall also include:
 - (i) a disclosure of the effects of exercising other rights under the policy;
 - (ii) a disclosure of guarantees related to long-term care costs of insurance charges; and

- (iii) current and projected maximum lifetime benefits.
- (9) The provisions of the policy summary required under Subsection (8) may be incorporated into:
 - (a) a basic illustration; or
 - (b) the life insurance policy summary required to be delivered in accordance with rule.

Amended by Chapter 297, 2011 General Session