

TITLE 50: INSURANCE
PART 2012 TRADITIONAL LONG-TERM CARE INSURANCE
CHAPTER I: DEPARTMENT OF INSURANCE

Section 2012.30 Definitions

Accelerated Life Product means a policy, contract, rider endorsement or amendment which contains benefits providing payment from life or endowment or annuity benefits in advance of the time they would otherwise be payable at any time during the insured's lifetime as an indemnity for traditional long-term care.

Applicant as defined in Section 351A-1 of the Illinois Insurance Code means:

in the case of an individual long-term care insurance policy, the person who seeks to contract for benefits;
in the case of a group long-term care insurance policy, the proposed certificateholder.

Assistive Equipment may include, but is not limited to, tangible personal property with a useful life of at least one year, expressly designed and used for increasing independent functioning in specific tasks or activities of independent living in the home that directly results in a demonstrated decrease in need for assistance from another individual in performing certain tasks or activities.

Certificate as defined in Section 351A-1 of the Illinois Insurance Code [215 ILCS 5/351A-1] means any certificate issued under a group long-term care insurance policy, which policy has been delivered or issued for delivery in this State.

Director as defined in Section 351A-1 of the Illinois Insurance Code [215 ILCS 5/351 A-1] means the Director of Insurance.

Electronic Home Response Services may include, but is not limited to, services designed to provide a 24 hour per day emergency communication link to assistance outside the home for individuals so severely disabled that they are incapable of using conventional or modified communication devices such as the telephone, and who have no other persons available in the home should an emergency arise.

Group Long-Term Care Insurance as defined in Section 351A-1 of the Illinois Insurance Code [215 ILCS 5/351A-1] means a traditional long-term care insurance policy which is delivered or issued for delivery in this State and issued to one of the following:

One or more employers or labor organizations, or to a trust or to the trustee(s) of a fund established by one or more employers or labor organizations, or a combination thereof, for employees or former employees or a combination thereof, or for members or former members, or a combination thereof, of the labor organizations.

Any professional, trade or occupational association for its members or former or retired members, or combination thereof, if such association:

Is composed of individuals all of whom are or were actively engaged in the same profession, trade or occupation; and

Has been maintained in good faith for purposes other than obtaining insurance.

An association or a trust or the trustee(s) of a fund established, created or maintained for the benefit of members of one or more associations. Prior to advertising, marketing or offering such policy within this State, the association or associations, or the insurer of the association or associations, shall file evidence with the Director that the association or associations have at the outset a minimum of 100 members and have been organized and maintained in good faith for purposes other than that of obtaining insurance; have been in active existence for at least one year; and have a constitution and by-laws which provide that:

the association or associations hold regular meetings not less than annually to further purposes of the members;

except for credit unions, the association or associations collect dues or solicit contributions from members; and

the members have voting privileges and representation on the governing board and committees.

Thirty days after such filing the association or associations will be deemed to satisfy such organizational requirements, unless the Director makes a finding that the association or

associations do not satisfy those organizational requirements.

A group other than as described in subparagraphs under the definition of Group Long-Term Care Insurance, subject to a finding by the Director that:

The issuance of the group policy is not contrary to the best interest of the public;

The issuance of the group policy would result in economies of acquisition or administration; and

The benefits are reasonable in relation to the premiums charged.

The standards to be used by the Director for determining whether a group is eligible shall include, but not be limited to: the policy shall not contain broad or misleading exclusions; premiums for group policies are less than premiums for individual policies; and the loss ratio complies with the requirements of Section 2012.110.

Homemaker Service may include, but is not limited to, nonmedical support provided by trained and professionally supervised homemakers to maintain, strengthen and safeguard the functioning of individuals in their own homes.

Insurer includes insurance companies; fraternal benefit societies; nonprofit health, hospital, and medical service corporations; prepaid health plans; health maintenance organizations or any similar organization.

Maintenance Home Health Care Services may include, but is not limited to, medically related services provided in the home in accordance with services prescribed by a physician. Specific components of maintenance home health care may include: nursing services, physical, respiratory or speech therapy; medical/health care services provided by a home health care aide.

Policy as defined in Section 351A-1 of the Illinois Insurance Code [215 ILCS 5/351A-1] means any policy, contract, subscriber agreement, rider or endorsement delivered or issued for delivery in this State by an insurer, fraternal benefit society, non-profit health, hospital, or medical service corporation, prepaid health plan, health maintenance organization or any similar organization.

Respite Service may include, but is not limited to, temporary care for insureds aimed at relieving stress for the insured's families. Respite service shall be provided for vacation, rest, errands, family crisis or emergency.

Traditional Long-Term Care Insurance as defined in Section 351A-1 of the Illinois Insurance Code [215 ILCS 5/351A-1] means any accident and health insurance policy or rider advertised, marketed, offered or designed to provide coverage for not less than 12 consecutive months for each covered person on an expense incurred, indemnity, prepaid or other basis for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital. Such term includes group and individual annuities and life insurance policies or riders which provide directly or which supplement long-term care insurance. Such term also includes a policy or rider which provides for payment of benefits based upon cognitive impairment or the loss of function capacity. Long-term care insurance may be issued by insurers; fraternal benefit societies; nonprofit health, hospital, and medical service corporations; prepaid health plans; health maintenance organizations or any similar organization, to the extent they are otherwise authorized to issue life or health insurance. Long-term care insurance shall not include any insurance policy which is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income protection coverage, accident only coverage, specified disease or specified accident coverage, or limited benefit health coverage. Long-term care insurance may include benefits for care and treatment in accordance with the tenets and practices of any established church or religious denomination which teaches reliance on spiritual treatment through prayer for healing.

(Source: Amended at 26 Ill. Reg. 8835, effective July 1, 2002)