

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

Section 2012.122 Standards for Marketing

- a) Every insurer, as defined herein, marketing traditional long-term care insurance coverage in this State, directly or through its producers, shall:
 - 1) Establish marketing procedures and producer training requirements to assure that any comparison of policies by its producers will be accurate.
 - A) Any marketing activities, including any comparison of policies, by its agents or other producers will be fair and accurate; and
 - B) Establish marketing procedures to assure that excessive insurance is not sold or issued.
 - 2) Display prominently by type or stamp on the first page of the outline of coverage and policy the following: "NOTICE TO BUYER: THIS POLICY MAY NOT COVER ALL 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."
 - 3) Provide copies of the disclosure forms required in Section 2012.62(c) and Exhibits F and I to the applicant.
 - 4) Inquire of a prospective applicant or enrollee for traditional long-term care insurance whether they already have accident and sickness or traditional long-term care insurance and the types and amounts of any such insurance, except that in the case of qualified traditional long-term care insurance contracts, an inquiry into whether a prospective applicant or enrollee for long-term care insurance has accident and sickness insurance is not required.
 - 5) Every insurer or entity marketing traditional long-term care insurance shall establish auditable procedures for verifying compliance with this subsection.
 - 6) The insurer shall, at solicitation, provide written notice to the prospective policyholder and certificateholder of the Senior Health Insurance Program (SHIP) that such a program is available and the most current name, address and telephone number of the program. The current address and toll-free telephone number is 320 W. Washington Street, Springfield, Illinois 62767-0001, 1-800-548-9034.
 - 7) For traditional long-term care health insurance policies and certificates, use the terms "noncancellable" or "level premium" only when the policy or certificate conforms to this Part.
 - 8) Traditional long-term care insurance policies or certificates sold after July 1, 1995 that are not under the Illinois Long-Term Care Partnership Program shall include a statement on the outline of coverage, the policy or certificate application, and the front page of the policy or certificate in bold type and in a separate box as follows: "THIS POLICY (CERTIFICATE) IS NOT APPROVED FOR MEDICAID ASSET PROTECTION UNDER THE ILLINOIS LONG-TERM CARE PARTNERSHIP PROGRAM. HOWEVER, THIS POLICY (CERTIFICATE) IS AN APPROVED TRADITIONAL LONG-TERM CARE POLICY (CERTIFICATE)"

UNDER STATE INSURANCE REGULATIONS. FOR INFORMATION ABOUT POLICIES AND CERTIFICATES APPROVED UNDER THE ILLINOIS TRADITIONAL LONG-TERM CARE PARTNERSHIP PROGRAM, CALL THE SENIOR HELPLINE AT THE DEPARTMENT ON AGING AT 1-800-252-8966."

- 9) Provide an explanation of the contingent benefit upon lapse.
- b) In addition to the practices prohibited in Article XXVI, [215 ILCS 5/Art. XXVI et seq.], 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 an insurance producer or insurance company.
 - 4) **Misrepresentation.** Misrepresenting a material fact in selling or offering to sell a traditional long-term care insurance policy.
- c) With respect to the obligations set forth in this subsection, the primary responsibility of an association when procuring traditional long-term care insurance shall be to educate its members concerning traditional long-term care issues in general so that its members can make informed decisions. Associations should provide information regarding traditional long-term care insurance policies or certificates to ensure that members of such associations receive a complete explanation of the features in the policies or certificates that are being sold by the insurer.
- 1) The insurer shall file with this Department the following material:
 - A) The policy and certificate,
 - B) A corresponding outline of coverage, as referenced in Section 2012.130 and Exhibit C of this Part, and
 - C) All advertisements requested by the Department.
 - 2) The association shall disclose in any traditional long-term care insurance solicitation:
 - A) The specific nature and amount of the compensation arrangements (including all fees, commissions, administrative fees and other forms of financial support) that the association receives from the sale of the policy or certificate to its members, and
 - B) A brief description of the processes under which such policies and the insurer issuing such policies were selected.

- 3) If the association and the insurer have interlocking directorates or trustee arrangements, the association shall disclose such fact to its members.
 - 4) The board of directors of associations shall review and approve such insurance policies as well as the compensation arrangements made with the insurer.
 - 5) The association shall also engage the services of a person with expertise in traditional long-term care insurance, not affiliated with the insurer, to conduct an examination of the policies including its benefits, features, and rates and update such examination thereafter in the event of a material change.
 - 6) No group traditional long-term care insurance policy or certificate may be issued to an association unless the insurer files with this Department the information required in this subsection.
 - 7) The insurer shall not issue a traditional long-term care policy or certificate to an association or continue to market such a policy or certificate unless the insurer certifies annually that the association has complied with the requirements set forth in this subsection.
- d) The insurer shall provide producer training as follows:
- 1) The insurer shall provide written evidence to the Department of Insurance that procedures are in place to assure that no producer will be authorized to market, sell, solicit, or otherwise contact any person for the purpose of marketing a traditional long-term care policy or certificate unless the producer has completed 6 hours of training on traditional long-term care insurance as prescribed in Exhibit E of this Part; the course shall be specifically titled "Traditional Long-Term Care Insurance Policy." The traditional long-term care course cannot be included as part of any other certified continuing education course; however, this course may satisfy a part of the continuing education requirements of Section 494.1(c) of the Illinois Insurance Code [215 ILCS 5/491.1(c)]. Insurers and producers shall maintain evidence of completion of the hours of training required and shall provide proof of completion upon request. Such proofs of completion shall be in the format prescribed by 50 Ill. Adm. Code 3119.Exhibit D, and shall be signed by the producer and the provider of the education attesting to the completion of the required training.
 - 2) The required training hours referenced in subsection 2012.122(d)(1) above may qualify as part of the continuing education requirements of Section 494.1(c) of the Illinois Insurance Code [215 ILCS 5/494.1(c)] only if the training course has been certified under 50 Ill. Adm. Code 3119.30. Each educational provider shall submit its request for certification to the Director on a form prescribed by 50 Ill. Adm. Code 3119.Exhibit B at least 30 days prior to any course being offered. All educational providers and training courses qualifying for continuing education credit shall be renewed on an annual basis.

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