



State of Rhode Island
DEPARTMENT OF BUSINESS REGULATION
1511 Pontiac Avenue, Bldg. 69-2
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Insurance Division

Rhode Island

Long-Term Care Policy Form and Rate Filing Requirements and Regulatory Compliance

A. Department Contact Information for Long-Term Care Insurance

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Key form filing statutes/regulations to consider:

- ❖ Long Term Care Insurance: RI General Laws [§ 27-34.2](#)
- ❖ Long-Term Care Insurance: [230-RICR-20-35-1](#)

B. Form Filing Requirements

1. All filings along with applicable fees must be submitted via SERFF. Please see Insurance Bulletins [2007-3](#) and [2002-13](#). Filing fees are calculated on a retaliatory basis pursuant to RI General Laws [§ 42-14-18](#) and [§ 27-2-17](#). Filings fees are not required for withdrawal of filings (without replacements). All other filings require a filing fee.
2. Form/Rate Filings: All long-term care contract forms and rates must be filed for review and approval pursuant to [230-RICR-20-35-1.21](#).
3. For revisions to existing policy form filings, insurers are **required** to provide a side-by-side comparison of the revisions. Such revisions must be identified by underlining or highlighting (additions) and strike-through (deletions). In addition, insurers must provide an explanation as to the impact such revisions have on existing coverage, i.e., broadening or restricting coverage, etc.
4. Any filing of new forms to be used with previously approved forms must include a list of such forms as Supporting Documentation. Approval dates and SERFF Tracking Numbers, if available, must be included on that document as well.

Note: any extension of previously approved forms in a manner other than what was originally filed must be submitted to the Department for review and approval. An appropriate filing fee must be submitted with such a filing.

5. Statement of Variability: Variable text is permitted using brackets on a filed form, but a corresponding Statement of Variability must be submitted with the form. Numeric values must include ranges of what the item could be for future issues. Each variable must clearly indicate when language will/will not appear on the filed form, and alternate text is permitted as long as the exact language is included on the Statement of Variability.
6. Filings are public upon receipt. For confidentiality requests, the insurer must provide a specific statutory basis and provide a full description of how the request for confidentiality falls under R.I. Gen. Laws [§ 38-2-2](#). The Department may override a request if deemed not confidential. An insurer may not mark an entire filing as confidential. The insurer must clearly identify portions deemed confidential, cite relevant statute and support for exemption under R.I. Gen. Laws [§ 38-2-2\(4\)](#), and properly segregate such from the remaining/public portion of the filing.
7. Typographical errors: The Department **DOES NOT ALLOW** changes to previously approved forms due to typographical errors without first notifying the Department. If the effective date for the original filing has not yet occurred, the insurer may request to have the Department reopen the original filing to upload the corrected form(s). Otherwise, if the effective date has passed, the insurer must submit a new filing to the Department along with the appropriate filing fee(s).

C. Long-Term Care Reporting Filings

1. Long-Term Care Reporting Requirements subject to [230-RICR-20-35-1.15\(A-F\)](#) may be filed for information. The “Requested Filing Mode” must be marked as “Informational”. The correct TOI to use is “LTC06 Long Term Care - Other”. A filing fee of \$25 is required if the retaliatory fee is not greater.
2. Annual Rate Certifications subject to [230-RICR-20-35-1.15\(I\)](#) may not be filed for information; these filings should be submitted with “Review & Approval” as the appropriate Requested Filing Mode in SERFF. Companies may use the TOI “LTC06 Long Term Care - Other” for these reports. Normal filing fees subject to [Insurance Bulletin 2002-13](#) apply to these filings as well.
3. No Other LTC related forms, rules or rates should be filed as Informational.

D. In-Force Rate Increase Filing Requirements*

Each long-term care rate increase filing is subject to an actuarial review to determine if the request is justified, and the Department suggests that Companies consider targeting a loss ratio in their requests for increases of at least 65%. Companies proposing rates below that suggested loss ratio should explain why they are seeking approval for a loss ratio below that level and explain how their product provides sufficient additional value and benefits for policyholders in Rhode Island. Additionally, an insurer may submit a rate increase request for one product per filing; a filing that contains multiple rate increase requests for multiple products will be rejected.

The Department requires the insurer to provide certain information and/or documentation before approving a rate increase request. Please see the following criteria:

1. If an insurer intends to offer its policyholders alternatives to offset a fully indexed rate increase, i.e. offer “landing spots”, this information should be provided initially as part of the filing. Actuaries will evaluate any proposed alternatives to determine actuarially equivalency and report their findings to the Department. These alternatives should also be well described in any communication sent to policyholders.
2. The Department remains concerned how insurers’ requested rate increases impact Rhode Island policyholders and how rate shock should be avoided. As such, considering Rhode Island case law regarding the Superintendent's ability to mitigate rate shock, the Department suggests insurers to phase-in substantial increases over time. Generally, the Department believes rate increases above 20% or 25% should consider such alternatives, i.e. increases between 21 or 26% and 50% would be phased-in over two years, increases between 51%-75% would be phased-in over three years, etc. Insurers should also consider including flat-dollar caps on policy increases for smaller monthly premiums as an appropriate manner to avoid rate shock to Rhode Island consumers.
3. The Department requests insurers offer their policyholders a contingent non-forfeiture option if one is not already included in the policy. The Department will accept a rider/endorsement to be filed along with the rate increase request.

4. Filing letters to policyholders, in addition to any other correspondence sent to policyholders regarding the rate increase, must be included in the filing. These documents should be attached to the Supporting Documentation tab.
5. Sufficient notice must be given to policyholders before an approved rate increase request is implemented. In order that consumers have sufficient time to prepare and understand the impact of such an increase, the Department requires at least 90-days' notice prior to any rate increase taking effect, and 60-days for consumers to choose alternatives in lieu of a fully indexed rate increase, if applicable.
6. Insurers should provide with their notice letters contact telephone and a website, and have staff appropriately trained to handle calls concerning increases. The staff should be able to describe the options available or describe how they plan to handle inquiries from Rhode Island consumers impacted by their rate increases to ensure clear communications with the public.
7. By accepting the rate increase, insurers agree to begin implementing the increase within 15-months of the Department's granting of the approval, or to provide an explanation of why the rate increase has not begun after 18-months.
8. The Department will not entertain requests for additional increases for the same block of business for 3 years, or during the phase-in of the approved increase, whichever is longer.
9. Insurers must agree to begin implementing the increase within 15 months of the Department granting its approval. Insurers should also notify the Department when they begin sending out their initial notice letters by sending an email to DBR.Insurance@dbr.ri.gov with the specifics of the increase and the applicable SERFF Tracking Number.
10. Insurers that are required to file Annual Rate Certifications pursuant to [230-RICR-20-35-1.15\(I\)](#) must reference these filings when submitting a new rate increase for that block of business. This can be achieved by including the applicable SERFF Tracking Number within the Filing Description/Cover Letter of the rate increase filing, or insurers may attach the Annual Rate Certifications directly to the Supporting Documentation tab.

E. Actuarial Rate Increase Filing Checklist*

1. See [Appendix A](#) of this document for Actuarial guidance.

F. Partnership Certification Filings

Guidance for Long-Term Care Partnership filings is in [230-RICR-20-35-1](#). To meet the requirements for Partnership qualification in Rhode Island, the "Issuer Certification Form" must be completed in its entirety, either by identifying the provision and page number of the applicable of each requirement or providing a full explanation as to why the requirement is not applicable. Blank lines will not be accepted. This certification must be signed and dated by an officer of the Insurer and submitted in a filing to the Department. These forms may be attached to the Supporting Documentation tab. Filing fees are required pursuant to [Insurance Bulletin 2002-13](#).

G. Prohibitions and/or specific statutory mandates to be considered when preparing filings*

1. Right to Examine/Free Look provision: Every long-term care contract issued must include a provision to refund premiums paid within 30 days of policy delivery pursuant to R.I. Gen. Laws [§ 27-34.2-6\(g\)](#).
2. Fraud Warning: Applications must comply with R.I. Gen. Laws § [27-54.1-3](#) and must contain the following statement or a substantially similar statement: "Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."
3. Discretionary Clauses: Discretionary clauses are not permitted in long-term care insurance contracts pursuant to R.I. Gen. Laws [§ 27-34.2-22](#).
4. Incontestability: An insurer may rescind a long-term care insurance policy or certificate or deny an otherwise valid claim upon showing a material misrepresentation to the acceptance of coverage for a policy or certificate that has been in force for less than 6 months. Policies or certificates in force for more than 6 months but less than 2 years may be rescinded by an insurer or deny an otherwise valid claim upon showing a material misrepresentation that pertains to the condition for which benefits are sought. A policy or certificate that has been in force for 2 years is not contestable for misrepresentation alone, but only upon showing the insured knowingly and intentionally misrepresented relevant facts relating to the insured's health. Please see R.I. Gen. Laws [§ 27-34.2-7.1](#).
5. Each insurer offering long-term care insurance must comply with the unintentional policy lapse requirement pursuant to R.I. Gen. Laws [§ 27-34.2-12](#).
6. An individual long-term care insurance policy must contain a renewability provision and disclosed on the first page of the policy pursuant to [230-RICR-20-35-1.8\(A\)](#).

H. Additional Statutory References

In addition to the above, the following statutes, regulations and/or bulletins may be helpful when selling/issuing long-term care policies in Rhode Island*:

- Cancellation of Group Insurance: R.I. Gen. Laws Chapter [27-37](#)
- Unfair Claims Settlement Practices Act: R.I. Gen. Laws Chapter [27-9.1](#)
- Unfair Life, Accident, and Health Claims Settlement Practices: [230-RICR-20-40-1](#)
- **Annuity and Long Term Care Producer Training: [Insurance Bulletin 2021-1](#)**

I. General Information

- Corporate Tax Rate: Insurers are required to reflect the new corporate tax rate in calculating the profit provision used to determine rate level indications. Please see [Insurance Bulletin 2018-6](#) for guidance.
- Filings of Previously Approved Forms due to change in name, officer, address and/or merger with licensed insurers [Insurance Bulletin 2005-7](#). For change in "logo" only, insurer is required to submit 1 sample policy cover with new logo along with a statement that the logo will be used on all policy forms. Insurer does not need to list all forms it will apply the new logo to, rather a statement that the logo will be used on all forms on a go forward basis. The filing should be submitted in SERFF along with filing fee.
- Forms submitted for approval due to an assumption or transfer of business must be submitted in compliance with the Assumption Reinsurance Act under [R.I. Gen. Laws § 27-53.1](#), if applicable. This act mandates the filing requirements including notice, affidavit and disclosure requirements. Filings submitted for approval under [R.I. Gen. Laws § 27-53.1](#) must be submitted to the attention of the Examination Section of this Division, for review.
- Procedures for surrendering and non-renewal of licenses of any line or all lines of business by insurers licensed to write insurance in Rhode Island must comply with the filing requirements mandated under [230-RICR-20-45-2](#), where applicable. Filings submitted under [230-RICR-20-45-2](#) must be submitted to the attention of Examination Section of this Division, for review.
- Insurers withdrawing from a line of business and/or cessation of new or renewal business must comply with all applicable non-renewal and cancellation provisions provided above. Withdrawal plans including cessation of business (new and renewal) must be submitted in SERFF. The insurer must fully explain the withdrawal, including a summary of policies and agents impacted, and insurers acknowledgement of compliance with all cancellation and non-renewal provisions including compliance with [R.I. Gen. Laws § 27-2.4-20](#).

*The above-noted filing guidance and statutory references may not be an all-inclusive list; rather, the above references provide assistance when preparing filings and/or compliance related matters. The Department issues a Bulletin yearly that provides a legislative update in accordance with [R.I. Gen. Laws § 27-71-14](#). It is the licensees' responsibility to keep current with applicable RI statutes, Regulations as well as Insurance Bulletins issued by this Department. **If you would like to be added to the Department's E-Mail Distribution List to receive notices of all Insurance Division news, bulletins, and regulations, please enter your email address in the box provided by clicking [here](#).**

Quick links:

[Insurance Regulations](#)

[Insurance Bulletins](#)

[RI General Laws](#)

Updated June 23, 2021

Appendix A

Rhode Island Department of Insurance Actuarial Checklist for LTC Filings

To make our review as efficiently as possible, here is a list of data items that if received would speed up our review.

1. Historical Experience
 - a. On a nationwide basis.
 - b. On a state adjusted basis due to past rate increase history.
 - c. Earned Premiums
 - i. Based on original premiums.
 - ii. Based on current premiums if there has been rate increase activity.
 - iii. Based on approval of the requested rate increase.
 - d. Incurred claims without active life reserves.
 - e. Valuation rate by year used for the purposes of discounting.
 - f. If different valuation rates were used, separate experience by valuation rate.
 - g. Report on a basis consistent with the last rate increase filing, if any.
2. Census data – Requested Data Splits
 - a. Number of policies and inforce premium by inflation option.
 - b. Number of policies and inforce premium by lifetime duration.
 - c. Number of policies in active status (premium paying) with distributions by issue age and by attained age, including inforce premium.
 - d. Number of policies in active status (paid up).
 - e. Number of policies in claim status.
3. If policy forms include any limited pay or single pay policies, this data should be shown separately from the remaining policies.
4. Rate increase history
 - a. Is this the first rate increase filing?
 - b. Historical summary showing requested and approved rate increases by state, including the current in force premium and count for each state.
 - c. Summary of effective dates of the past rate increases for Rhode Island and if the approved amount was less than requested.
 - d. Description of any currently approved rate increases not yet implemented, including the date of full implementation.
5. Inforce Counts and Average Premium
 - a. Nationwide.
 - b. For state filed.
 - c. By lifetime duration and inflation option
6. Actuarial memorandum should contain a statement that proposed renewal rates are not greater than current new business rates for similar benefits, Regulation 44, Section 18(B)(4). List what policy form they are comparing these rates to and if it is currently being marketed. If the company no longer markets LTC products, the last product to be marketed should be the comparison point.

7. Summary of Key Assumptions
 - a. Should include original pricing assumptions.
 - b. Highlight those that are being changed.
 - c. Rational for the change.
 - d. Projected impact of that change.
 - e. Original lifetime loss ratio and any revised lifetime loss ratio that has been certified to in prior filings.
8. Durational Projected/Actual Experience
 - a. Should show both original and actual/projected durational experience.
 - b. Actual experience with projected experience should match the historical experience shown for item #1 in aggregate.
 - c. Actual to Expected calculations.
 - d. If actual to expected experience shows significant history of A/E ratios in excess of 1.00 and explanation as to why rate increases were not filed as experience developed.
9. Amount of rate increase requested
 - a. Whether this varies by benefit/age or is level for all policies.
 - b. If it varies by benefit or age, what benefit is driving the variation.
 - c. Were prior rate increases by benefit, or level across all benefits/ages?
 - d. Whether the requested rate increase is intended to correct future experience or is only the first round to be filed.
 - e. Does it vary by state?
10. Inforce Duration by Earned premium
11. Has the company unlocked statutory reserve methodology as to how active life reserves are calculated? If so, what assumption changes created the change and by how much did they change the current active life reserve build up.
12. Is the company currently holding a premium deficiency reserve?
13. Filing should include a statement that the rate increase is not attempting to recoup past losses. Methodology such as, the Prospective Present Value approach currently being proposed by the NAIC or other documentation to support the method used.