



## INFORMATIONAL MEMORANDUM

OIR-03-002M

ISSUED

February 7, 2003

Office of Insurance Regulation

Kevin M. McCarty

Director

### ALL LONG TERM CARE CARRIERS NOTICE OF NEW REGULATION

#### NOTIFICATION OF NEW REGULATION

The purpose of this Memorandum is to provide notice of new rules adopted by the Office of Insurance Regulation that may affect your organization. This memorandum does not constitute a complete analysis of the rules which may require action on the part of companies or licensees to ensure compliance. You are encouraged to review the specific rules that can be found at Rule Chapter 4-157, Florida Administrative Code (<http://fac.dos.state.fl.us/faconline/chapter04.pdf>) or you may e-mail us a request for the rules.

#### LONG TERM CARE REGULATION

These revised rules adopt the provisions of the NAIC's current Long Term Care Model Regulation which are not in conflict with the Florida Insurance Code. The new rules are intended to produce greater rate stability and consumer disclosure in the long term care market.

The new rules require certain disclosures to prospective insureds of prior rate increases. They also require that long term care products' rating standards must be developed to withstand "moderately adverse" experience without the need for a rate increase, and that the product must provide a contingent benefit upon lapse to all insureds.

It is important to note that the rules adopted in Florida differ from the NAIC model. The Florida rules retain the additional consumer protections that are required by Florida statute.

All long term care carriers are encouraged to take immediate action as necessary to ensure that their filed and approved products are in compliance with the new regulation for the individual policy forms that they intend to continue to sell after March 1, 2003.

Note: Most carriers are and have been aware of this rule promulgation and are prepared to take necessary action prior to March 1. Any company that was not aware and will have difficulty achieving compliance by the March 1 date is encouraged to contact the Office of Insurance Regulation. For this issue or any other questions concerning these rules, you may contact: Rich Robleto, Chief, Bureau of Life and Health Forms and Rates at [robletor@dfs.state.fl.us](mailto:robletor@dfs.state.fl.us) or (850) 413-5110 or Frank Dino, Chief Actuary, Bureau of Life and Health Forms and Rates at [dinof@dfs.state.fl.us](mailto:dinof@dfs.state.fl.us) or (850) 413-5014.