



# OKLAHOMA INSURANCE DEPARTMENT

## Licensing and Education Division

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### Long Term Care Partnership Course Guideline

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The purpose of the Long-Term Care Partnership education is to address specific Long-Term Care information associated with the sale and service of Long-Term Care and Long-Term Care Partnership. The Oklahoma Insurance Department encourages all providers to develop educational courses in accordance with the topics specified in this outline. Courses should incorporate examples and case studies to clarify applications as this is the best way for agents to understand Long-Term Care products

- I. The Need for Long-Term Care
  - A. The Need for Planning
  - B. The Effect on the Family
  - C. The Cost of Long-Term Care
  - D. Private Solutions
  - E. Government Solutions
  
- II. Long-Term Care Services and Providers
  - A. Evolution of Long-Term Care
  - B. Levels of LTC
  - C. Informal v. Formal Care
  - D. Home-Based and Community-Based Care
  - E. Facility Based Services
  
- III. Long-Term Care Insurance
  - A. Key Definitions
  - B. Basics of the policy
    - 1. Policy Coverage
    - 2. When Benefits are Paid
    - 3. How Benefits are Defined

- 4. Inflation Protection
- C. Premium
- D. Underwriting and Claims
- E. Comprehensive v. Non-comprehensive LTC Policies
- F. When to Purchase LTC Insurance
- G. Individual v. Group LTC Insurance
- H. Tax treatment of LTC Insurance

#### IV. Long-Term Care Insurance Policy Design and Options

- A. Qualifying for Benefits
  - 1. Benefit Triggers
- B. LTC Policy Design
  - 1. Comprehensive v. Non-Comprehensive Policies
  - 2. Indemnity v. Reimbursement Policies
  - 3. Benefit Amount
  - 4. Benefit Period
  - 5. Lifetime Maximum Benefit
  - 6. Elimination Period
  - 7. Inflation Protection
- C. Other LTC Policy Features
  - 1. Free Look Period
  - 2. Level Premiums
  - 3. Grace Period
  - 4. Third-Party Notification
  - 5. Nonforfeiture Benefit
  - 6. Guaranteed Renewability
  - 7. Pre-Existing Conditions
  - 8. Joint LTC Policies
  - 9. Premium Payment Options
  - 10. Premium Waiver
  - 11. Upgrading Coverage
- D. Long-Term Care Policy Exclusions

#### V. Long-Term Care Partnership

- A. Deficit Reduction Act of 2005
- B. Basics of Partnership Programs
  - 1. State Plan Amendment
  - 2. National Expansion
- C. Purpose
- D. Basis for Today's Partnership Programs
  - 1. The NAIC Model Act
  - 2. HIPPA and LTC Insurance
- E. State Partnership Programs and Medicaid
  - 1. Asset Spend Down Exemption
  - 2. Dollar for Dollar Offset Method
  - 3. Total Asset Offset Approach

#### 4. Tailoring Coverage to Need is Part of Suitability

### VI. Qualified Long-Term Care Partnership Policies

- A. DRA Mandated Policy Standards
  - 1. NAIC Model Act
  - 2. HIPPA
- B. Minimum Standards for Partnership-Qualified LTC Insurance Policies
  - 1. Required Partnership Provisions
- C. Minimum Standards for Marketing Partnership-Qualified LTC Insurance
  - 1. Provider Education

### VII. Medicaid Benefits for LTC

- A. Income Eligibility
- B. Asset Eligibility
- C. Estate Recovery
- D. Asset Transfers

### VIII. Other LTC financing options

- A. Accelerated Death Benefits
- B. Reverse Mortgages
- C. Critical Illness
- D. Viaticals and Life Settlements
- E. Single Premium Life/Annuity and LTC Insurance
- F. Annuities
- G. Life Insurance
- H. Health Savings Accounts
- I. Self-Funding from Current Savings and Investments

### IX. Ethical Considerations in the Sale of Long-Term Care Insurance

- A. Needs Based Selling
  - 1. Fact Finding
  - 2. Needs Analysis
  - 3. Product Recommendation
  - 4. Prospect Understanding
- B. Appropriate Sales and Presentation Practices
  - 1. Sales Practices
  - 2. Presentation Practices
  - 3. Full Disclosure
- C. Ethical Practices
- D. Unethical Practices
  - 1. Misrepresentation
  - 2. Twisting
  - 3. Puffing
  - 4. Rebates and Gifts
  - 5. High-Pressure Sales
  - 6. Bait and Switch Tactics

7. Untimely and Unfair Claims Distributions
  8. Failure to Disclose
- E. Suitability
1. Definition of Suitability
  2. NAIC and Suitability
  3. Insurers and Producers Responsibility of Suitability
  4. Suitability and State Partnership Programs

*All interested Long-Term Care Partnership Education parties are required to provide the Oklahoma Insurance Department the presentation materials they have created for review. Presentation materials must include handouts, course manual, speaker notes (including specific examples that will be discussed) and may include, but are not limited to, PowerPoint presentations. The Guideline alone will **not** be accepted solely as presentation materials.*