

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Amend the Long-term Care Insurance Law

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24-A MRSA §5076, sub-§4, as enacted by PL 1999, c. 292, §2, is amended to read:

4. Field-issued policies or certificates. A long-term care insurance policy or certificate may not be field-issued ~~based on medical or health status~~ if the compensation to the field issuer is based on the number of policies or certificates issued. For the purposes of this subsection, "field-issued" means a policy or certificate issued by ~~an agent~~ a producer or a 3rd-party administrator pursuant to the underwriting authority granted to the ~~agent~~ producer or 3rd-party administrator by an insurer using the insurer's underwriting guidelines.

Sec. 2. 24-A MRSA §5078, as enacted by PL 1999, c. 292, §2, is amended to read:

§ 5078. Rulemaking

The superintendent shall adopt rules to promote premium adequacy, to protect a policyholder and a certificate holder in the event of substantial rate increases and to establish minimum standards for marketing practices, insurance producer compensation, insurance producer education, insurance producer testing, penalties and reporting practices for long-term care insurance. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter H-A2-A.

Sec. 3. 24-A MRSA §5081 is enacted to read:

§ 5081. Producer training requirements

1. Training required. An individual may not sell, solicit or negotiate long-term care insurance unless:

- A. The individual is licensed as a life or health insurance producer;
- B. The individual has completed a one-time training course that is no less than 8 hours in length; and
- C. The individual completes ongoing training of no less than 4 hours every 24 months thereafter.

An individual licensed as a life or health insurance provider and who is actively selling, soliciting or negotiating long-term care insurance as of the effective date of this section must complete a one-time training course by July 1, 2008 and ongoing training every 24 months thereafter in order to continue selling, soliciting or negotiating long-term care insurance.

The training required by this subsection must meet the requirements set forth in subsection 2. The training requirements of subsection 2 may be approved as continuing education courses under chapter 16, subchapter 7.

2. Content of training. The one-time training required by this section must consist of topics related to long-term care insurance, long-term care services and, if applicable, qualified state long-term care insurance partnership programs, including, but not limited to:

- A. State and federal regulations and requirements and the relationship between the Long-term Care Partnership Program established in Title 22, section 3174-GG and other public and private coverage of long-term care services, including Medicaid;
- B. Available long-term care services and providers;
- C. Changes or improvements in long-term care services or providers;
- D. Alternatives to the purchase of private long-term care insurance;
- E. The effect of inflation on benefits and the importance of inflation protection; and
- F. Consumer suitability standards and guidelines.

The training required by this section may not include training that is specific to an insurer or company product or that includes any sales or marketing information, materials or training other than that required by state or federal law.

3. Verification. An insurer shall:

- A. Obtain verification that a producer has received training required by this section before the producer may sell, solicit or negotiate the insurer's long-term care insurance products;
- B. Maintain records of the verification under paragraph A for at least 3 years; and
- C. Make verification records available to the superintendent upon request.

4. Records. An insurer shall maintain records with respect to the training of its producers concerning the distribution of its partnership policies that will allow the superintendent to provide assurance to the Department of Health and Human Services that producers have received the training required by this section and that its producers have demonstrated an understanding of the partnership policies and their relationship to public and private coverage of long-term care, including Medicaid, in this State. The records must be maintained for a period of at least 3 years after each producer has received the training required by this section and must be made available to the superintendent upon request.

5. Reciprocity. The satisfaction of training requirements in this section in another state is considered to satisfy the training requirements in this section.

SUMMARY

This bill qualifies consumers who purchase certain long-term care insurance policies for asset-protection measures under the federal Deficit Reduction Act of 2005, Public Law 109-171. The

bill conforms Maine law to recently adopted amendments to the National Association of Insurance Commissioners' long-term care insurance model act. The bill prohibits issuing policies or certificates in the field if a field producer's compensation is based on the number of policies or certificates sold. The bill also imposes training requirements on producers who sell, solicit or negotiate long-term care policies.