

## **58061 Required Provisions to Allow the Increase or**

## **Decrease of Benefits in Partnership Policies or Certificates**

Partnership Long-Term Care Insurance Policies or Certificates shall contain:

### **(a)**

a provision that gives the Policy or Certificate holder the option to elect, no less frequently than on each anniversary date after the Policy or Certificate is issued, to pay an extra premium for one or all of the following three riders: (1) a rider for a Nursing Facility and Residential Care Facility Only expense reimbursable Policy or Certificate to increase the amount of the nursing facility per diem benefit, so long as the increase in the per diem amount is issued in multiples of ten (10) in ten dollar (\$10) increments; (2) a rider for a Comprehensive Benefit expense reimbursable Policy or Certificate to increase the amount of the nursing facility per diem and the monthly home and community-based care benefit, so long as the increase in the nursing facility per diem amount is issued in multiples of ten (10) in ten dollar (\$10) increments and the monthly home and community-based care benefit is issued in multiples of ten (10) and in the same ratio to the nursing facility per diem as the ratio in the original Policy or Certificate; (3) a rider for an expense reimbursable or expense incurred Policy or Certificate to increase the lifetime maximum benefit of either a Nursing Facility and Residential Care Facility Only or a Comprehensive Benefits Policy or Certificate. The Issuer may require the Policy or Certificate holder to undergo new underwriting, in addition to the

payment of an additional premium, to qualify for the rider(s) elected. The Issuer may restrict the aggregate amount of additional coverage a Policy or Certificate holder may acquire by rider(s) to the maximum coverage allowed by this Section or the maximum the Issuer allows when issuing a new Partnership Policy or Certificate, whichever is less. The Issuer may use the same age restrictions for the issuance of any rider governed by this section as the age limits, if any, that the Issuer uses for the issuance or delivery of a new Partnership Policy or Certificate. The extra premium for the increased coverages elected by the Policy or Certificate holder shall be calculated in accordance with Section 58066(a).

**(1)**

a rider for a Nursing Facility and Residential Care Facility Only expense reimbursable Policy or Certificate to increase the amount of the nursing facility per diem benefit, so long as the increase in the per diem amount is issued in multiples of ten (10) in ten dollar (\$10) increments;

**(2)**

a rider for a Comprehensive Benefit expense reimbursable Policy or Certificate to increase the amount of the nursing facility per diem and the monthly home and community-based care benefit, so long as the increase in the nursing facility per diem amount is issued in multiples of ten (10) in ten dollar (\$10) increments and the monthly home and community-based care benefit is issued in multiples of ten (10) and in the same ratio to the nursing facility per diem as the ratio in the original Policy or Certificate;

**(3)**

a rider for an expense reimbursable or expense incurred Policy or Certificate to increase the lifetime maximum benefit of either a Nursing Facility and Residential Care Facility Only or a Comprehensive Benefits Policy or Certificate. The Issuer may require the

Policy or Certificate holder to undergo new underwriting, in addition to the payment of an additional premium, to qualify for the rider(s) elected. The Issuer may restrict the aggregate amount of additional coverage a Policy or Certificate holder may acquire by rider(s) to the maximum coverage allowed by this Section or the maximum the Issuer allows when issuing a new Partnership Policy or Certificate, whichever is less. The Issuer may use the same age restrictions for the issuance of any rider governed by this section as the age limits, if any, that the Issuer uses for the issuance or delivery of a new Partnership Policy or Certificate. The extra premium for the increased coverages elected by the Policy or Certificate holder shall be calculated in accordance with Section 58066(a).

**(b)**

a provision that, in the event the Issuer develops new benefits and/or provisions not included in its original Partnership Policy or Certificate or markets a replacement Policy, the Issuer will grant current holders of its Partnership Policies or Certificates who are not in benefit or within the Elimination Period the following rights: (1) they will be notified by the Issuer of the availability of the new benefits and/or provisions within twelve months; (2) they will be afforded an opportunity by the Issuer to acquire the new benefits and/or provisions in one of the following ways: (A) by adding a rider to the original Partnership Policy or Certificate, in which case a separate premium will be calculated for the rider based on the Policy or Certificate holder's attained age; the premium for the original Policy or Certificate will remain unchanged based on age at issuance; (B) by replacing their existing Partnership Policy or Certificate with a subsequent Partnership Policy or Certificate issued by the current Issuer, in which case consideration for past insured status shall be recognized by giving a five percent (5%) premium credit for each full year the original Partnership Policy or Certificate was in force toward all subsequent

premium payments for the replacement Partnership Policy or Certificate as specified in Section 58066(b); (C) by replacing their existing Partnership Policy or Certificate with a subsequent Partnership Policy or Certificate with a premium based on the insured's original issue age. (3) they may have to undergo new underwriting, but the underwriting can be no more restrictive than if the Policy or Certificate holder were applying for a new Partnership Policy or Certificate. (4) the Issuer of Partnership group Policies must offer current group Policy holders the opportunity to have the new benefits and/or provisions extended to current Certificate holders, but the Issuer is relieved of the obligations imposed by this provision if the holder of the group Policy declines the Issuer's offer.

**(1)**

they will be notified by the Issuer of the availability of the new benefits and/or provisions within twelve months;

**(2)**

they will be afforded an opportunity by the Issuer to acquire the new benefits and/or provisions in one of the following ways: (A) by adding a rider to the original Partnership Policy or Certificate, in which case a separate premium will be calculated for the rider based on the Policy or Certificate holder's attained age; the premium for the original Policy or Certificate will remain unchanged based on age at issuance; (B) by replacing their existing Partnership Policy or Certificate with a subsequent Partnership Policy or Certificate issued by the current Issuer, in which case consideration for past insured status shall be recognized by giving a five percent (5%) premium credit for each full year the original Partnership Policy or Certificate was in force toward all subsequent premium payments for the replacement Partnership Policy or Certificate as specified in Section 58066(b); (C) by replacing their existing Partnership Policy or Certificate with a subsequent Partnership Policy or Certificate with a premium based on the insured's

original issue age.

**(A)**

by adding a rider to the original Partnership Policy or Certificate, in which case a separate premium will be calculated for the rider based on the Policy or Certificate holder's attained age; the premium for the original Policy or Certificate will remain unchanged based on age at issuance;

**(B)**

by replacing their existing Partnership Policy or Certificate with a subsequent Partnership Policy or Certificate issued by the current Issuer, in which case consideration for past insured status shall be recognized by giving a five percent (5%) premium credit for each full year the original Partnership Policy or Certificate was in force toward all subsequent premium payments for the replacement Partnership Policy or Certificate as specified in Section 58066(b);

**(C)**

by replacing their existing Partnership Policy or Certificate with a subsequent Partnership Policy or Certificate with a premium based on the insured's original issue age.

**(3)**

they may have to undergo new underwriting, but the underwriting can be no more restrictive than if the Policy or Certificate holder were applying for a new Partnership Policy or Certificate.

**(4)**

the Issuer of Partnership group Policies must offer current group Policy holders the opportunity to have the new benefits and/or provisions extended to current Certificate holders, but the Issuer is relieved of the obligations imposed by this provision if the holder of the group Policy declines the Issuer's offer.

**(c)**

a provision that gives the Policy or Certificate holder a right, exercisable any time after the first year, to retain a Policy or Certificate meeting all the requirements of certification while lowering the premium subject to the following conditions: (1) the Policy or Certificate holder of an expense reimbursable Policy or Certificate may: (A) reduce the nursing facility per diem and the monthly home and community-based care benefit (but not below the minimum specified in Section 58050(a) or (b)), and/or; (B) reduce the lifetime maximum benefit, but not below the dollar equivalent of one hundred eight-two (182) times seventy percent (70%) of the Average Daily Private Pay Rate for Nursing Facilities; (2) the Policy or Certificate holder of an expense incurred Policy may; (A) reduce the lifetime maximum benefit, but not below the dollar equivalent of one hundred eight-two (182) times seventy percent (70%) of the Average Daily Private Pay Rate for Nursing Facilities; (3) the Policy or Certificate holder of either an expense reimbursable or expense incurred Comprehensive Benefits Policy or Certificate may convert to a Nursing Facility and Residential Care Facility Only Policy or Certificate with per diem not less than the minimums specified in Section 58050(b) and a lifetime maximum benefit no less than the dollar equivalent of one hundred eight-two (182) times seventy percent (70%) of the Average Daily Private Pay Rate for Nursing Facilities; (4) the reduced nursing facility per diem benefit, lifetime maximum benefit, and, if a Comprehensive Benefits Policy or Certificate, monthly home and community-based care benefit, of an expense reimbursable Policy or Certificate, must increase each year in the same amount and be computed in the same manner as the inflation protection provision issued with the original Policy or Certificate as specified in subsection (k) of Section 58059; (5) the lower premium for any reduced coverage Policy or Certificate shall be calculated in accordance with 58066(c); (6) in the event a Policy or Certificate is about to lapse,

the Issuer shall advise the Policy or Certificate holder of the options to lower the premium by reducing coverage and of the premiums, applicable to the reduced coverage; if the Policy or Certificate has a Non-Forfeiture Benefit rider, the Issuer shall also advise the Policy or Certificate holder that the the original policy may be kept in force for a shortened benefit period under the Non-Forfeiture Benefit rider.

**(1)**

the Policy or Certificate holder of an expense reimbursable Policy or Certificate may:

(A) reduce the nursing facility per diem and the monthly home and community-based care benefit (but not below the minimum specified in Section 58050(a) or (b)), and/or;

(B) reduce the lifetime maximum benefit, but not below the dollar equivalent of one hundred eight-two (182) times seventy percent (70%) of the Average Daily Private Pay Rate for Nursing Facilities;

**(A)**

reduce the nursing facility per diem and the monthly home and community-based care benefit (but not below the minimum specified in Section 58050(a) or (b)), and/or;

**(B)**

reduce the lifetime maximum benefit, but not below the dollar equivalent of one hundred eight-two (182) times seventy percent (70%) of the Average Daily Private Pay Rate for Nursing Facilities;

**(2)**

the Policy or Certificate holder of an expense incurred Policy may; (A) reduce the lifetime maximum benefit, but not below the dollar equivalent of one hundred eight-two (182) times seventy percent (70%) of the Average Daily Private Pay Rate for Nursing Facilities;

**(A)**

reduce the lifetime maximum benefit, but not below the dollar equivalent of one hundred

eight-two (182) times seventy percent (70%) of the Average Daily Private Pay Rate for Nursing Facilities;

**(3)**

the Policy or Certificate holder of either an expense reimbursable or expense incurred Comprehensive Benefits Policy or Certificate may convert to a Nursing Facility and Residential Care Facility Only Policy or Certificate with per diem not less than the minimums specified in Section 58050(b) and a lifetime maximum benefit no less than the dollar equivalent of one hundred eight-two (182) times seventy percent (70%) of the Average Daily Private Pay Rate for Nursing Facilities;

**(4)**

the reduced nursing facility per diem benefit, lifetime maximum benefit, and, if a Comprehensive Benefits Policy or Certificate, monthly home and community-based care benefit, of an expense reimbursable Policy or Certificate, must increase each year in the same amount and be computed in the same manner as the inflation protection provision issued with the original Policy or Certificate as specified in subsection (k) of Section 58059;

**(5)**

the lower premium for any reduced coverage Policy or Certificate shall be calculated in accordance with 58066(c);

**(6)**

in the event a Policy or Certificate is about to lapse, the Issuer shall advise the Policy or Certificate holder of the options to lower the premium by reducing coverage and of the premiums, applicable to the reduced coverage; if the Policy or Certificate has a Non-Forfeiture Benefit rider, the Issuer shall also advise the Policy or Certificate holder that the the original policy may be kept in force for a shortened benefit period under the Non-Forfeiture Benefit rider.