

**191—72.6(249G) Minimum benefit standards for qualifying policies and certificates.** No long-term care insurance policy or certificate may be advertised, solicited, or issued for delivery in this state as a qualified long-term care insurance policy or certificate which does not meet the minimum benefit standards in this rule, and which has not been approved by the division of insurance as a qualified long-term care insurance policy or certificate. These minimum standards do not preclude the inclusion of other provisions or benefits which are not inconsistent with these standards. These standards are in addition to all other requirements for long-term care insurance policies or certificates. In order to qualify for participation in the Iowa long-term care asset preservation program, a long-term care insurance policy or certificate shall meet the following:

**72.6(1)** Contain a “benefit amount maximum” equivalent to at least 365 times the minimum daily nursing facility benefit defined in 72.6(6)“a.”

**72.6(2)** Offer a maximum benefit amount option equivalent to 365 times the minimum daily nursing facility benefit defined in 72.6(6)“a.” Issuers may offer other benefit amount options in addition to this minimum benefit amount option.

**72.6(3)** Provide that maximum benefits be available in dollars and not in days of care.

**72.6(4)** Include a provision of inflation protection which satisfies at least one of the following criteria:

*a.* The policy or certificate covers at least 80 percent but not more than 110 percent of the average daily private pay rate.

*b.* The policy or certificate provides for automatic increases in the per diem dollar level in accordance with either the consumer price index or at 5 percent each year over the previous year for each year that the contract is in force.

*c.* The policy or certificate provides the following:

(1) Annual per diem upgrades on a guaranteed issue basis at premiums based on the age of the policyholder or certificate holder at the time of the issuance of the qualified policy or certificate.

(2) Unless the insured takes positive action to decline them, these upgrades automatically increase the level of daily coverage to meet or exceed the minimum inflation adjusted daily benefit. The minimum inflation adjusted daily benefit is defined as the amount or amounts derived by taking the minimum daily benefit for nursing facility care at the time of purchase as specified in 72.6(6)“a” and inflating it by the consumer price index or by at least 5 percent each year over the previous year for each year that the contract is in force. The schedule of minimum per diem dollar amount increases shall be updated and maintained at the division of insurance.

(3) The issuer shall notify those policyholders or certificate holders choosing the upgrade option when the upgrades are automatically effective and what the increased premium, if any, will be. The issuer shall also provide to the policyholder or certificate holder, at the time of the upgrade, the opportunity to decline the upgrade.

(4) The issuer shall notify the policyholder or certificate holder when the insurance policy or certificate will lose its qualification status if the annual per diem benefit upgrade is declined. A qualified policy or certificate containing this inflation protection provision will remain qualified as long as the insured’s daily benefit amount equals or exceeds the minimum inflation adjusted daily benefit.

**72.6(5)** Provide that the unused maximum benefit amount of the policy or certificate increase proportionately with the inflation protection requirements of 72.6(4).

**72.6(6)** At a minimum, upon the initial effective date, provide the following:

*a.* A daily nursing facility benefit of at least 80 percent of the average daily private pay rate in nursing facilities rounded to the next highest \$5 increment. No policy or certificate need pay benefits in excess of the actual charges.

*b.* A daily home- and community-based benefit of at least 50 percent of the daily nursing facility benefit contained in the policy or certificate. No policy or certificate need pay benefits in excess of the actual charges.

*c.* The daily home- and community-based benefit shall not exceed the daily nursing facility benefit.

**72.6(7)** If issued on an expense incurred basis, provide benefits which are equal to at least 80 percent of the per diem cost incurred by the insured.