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STATE OF WISCONSIN
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VEL PHILLIPS
SECRETARY OF STATE

STATE OF WISCONSIN)
OFFICE OF THE COMMISSIONER OF INSURANCE) ss

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Susan Mitchell, Commissioner of Insurance and custodian of the official records of said office, do hereby certify that the annexed order adopting a rule relating to nursing home insurance was issued by this office March 16, 1981.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name in the City of Madison, State of Wisconsin, this 16th day of March, 1981.



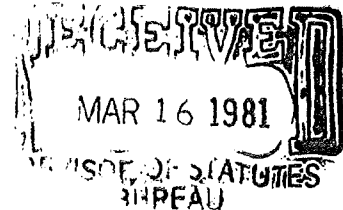
Susan Mitchell
Commissioner of Insurance

11-1-81

STATE OF WISCONSIN
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VEL PHILIPS
SECRETARY OF STATE



ORDER OF THE COMMISSIONER OF INSURANCE

ADOPTING RULES

Relating to standards for nursing home insurance.

ANALYSIS PREPARED BY THE OFFICE OF THE COMMISSIONER OF INSURANCE

The purpose of these changes is to establish minimum requirements for insurance which may be sold as nursing home insurance. In order to be sold as nursing home insurance, the contract must provide coverage for care received while a patient of any licensed nursing home. Exclusions based on the level of care received, whether the care is received as a result of sickness or injury, and whether the care is received as a result of sickness or injury, and whether the care is received after a hospital confinement will no longer be permitted in nursing home insurance.

Pursuant to the authority vested in the Commissioner of Insurance by sections 601.41 (3) and 628.34 (12), Wisconsin Statutes, the Commissioner hereby repeals, recreates, and adopts rules interpreting sections 631.20 (2) and 628.34 (11), Wisconsin Statutes, as follows:

SECTION 1. Section Ins 3.39 (7) (b), Wisconsin Administrative Code, is repealed and recreated as follows:

(b) Nursing Home Coverage. A policy form providing coverage for care in a nursing home shall meet the standards set forth in s. Ins 3.46, Wis. Adm. Code. Such a policy sold to Medicare-eligible persons shall bear the following caption: THE NURSING HOME BENEFIT OF THIS POLICY DOES NOT RELATE IN ANY WAY TO MEDICARE. FOR MORE INFORMATION, CONSULT THE COMMISSIONER'S PAMPHLET "HEALTH INSURANCE ADVICE FOR SENIOR CITIZENS" WHICH YOU RECEIVED WITH THE APPLICATION FOR THIS POLICY.

SECTION 2. Section 3.46, Wisconsin Administrative Code, is adopted to read:

Ins 3.46 Standards for Nursing Home Insurance. (1) FINDINGS. Information on file in the office of the commissioner of insurance shows that significant misunderstanding exists with respect to nursing home insurance. In many cases, coverage under these policies is much less than the use of the label would warrant and includes few meaningful benefits beyond those already available to consumers as a result of s. 632.78 (4), Stats., and Ins 3.39, Wisconsin Administrative Code, and the commissioner of insurance finds that such policies are inequitable, misleading, deceptive, obscure, and encouraging of misrepresentation as considered by s. 631.20 (2), Stats. Some of the sales presentations used to sell nursing home insurance are misleading, confusing, and incomplete, and the commissioner of insurance finds that such presentations are misleading and deceptive, and restrain competition unreasonably under 628.34 (12), Stats., and their continued use would constitute an unfair trade practice under s. 628.34 (11), Stats.

(2) PURPOSE. (a) This section establishes minimum requirements for insurance which may be sold as nursing home insurance. A policy will be disapproved pursuant to s. 631.20, Stats., if that policy does not meet the minimum requirements specified in this section.

(b) This section seeks to reduce abuses and confusion associated with the sale of nursing home insurance by providing for minimum levels of coverage. It is designed not only to improve the ability of the consumer to make an informed choice as to whether to purchase a nursing home policy, but to assure that no policy will be approved by the commissioner as a "nursing home policy" unless it contains coverage which warrants the use of that label.

(3) SCOPE. (a) Except as provided in par. (b), this section applies to any individual insurance policy or rider which provides coverage primarily for confinement or care in a nursing home. This section applies regardless of restrictions on the level of nursing home care provided by a policy, i.e., skilled, intermediate, limited, personal or residential care.

(b) This section shall not apply to a rider designed specifically to meet the requirement for coverage of skilled nursing care set forth in s. 632.78 (4), Stats.

(4) DEFINITIONS. For the purpose of this section:

(a) "Medicare" means the hospital and medical insurance program established by title XVIII of the federal social security act of 1965, as amended.

(b) "Medicare eligible persons" means all persons who qualify for Medicare.

(c) "Nursing home" means a nursing home as defined by s. 50.01 (3), Stats.

(5) NURSING HOME POLICY REQUIREMENTS. No insurance policy covered by this section shall be structured, advertised, or marketed as a nursing home policy unless:

(a) The policy provides at a minimum the coverage set out in subsection (6) of this section and applicable statutes.

(b) The policy is plainly printed as to text in black or blue ink in a type of a style in general use, the size of which is uniform and not less than 10 point with a lower case unspaced alphabet length not less than 120 point.

(c) If the policy is sold to Medicare-eligible persons, it meets the requirements of s. Ins 3.39 (7) (b), Wis. Adm. Code.

(6) MINIMUM COVERAGES. (a) Except as provided in subs. (b) through (g) of this section, a nursing home policy shall provide coverage for each person insured under the policy for any care received while a resident of any nursing home licensed by the state of Wisconsin pursuant to s. 50.02, Stats.

(b) Nursing home policies may limit benefits to a fixed daily benefit. The daily benefit may differ for different levels of care, but the lowest level of daily benefits shall not be less than \$10 a day.

(c) Nursing home policies may provide benefits subject to a deductible, but the deductible amount shall not exceed 60 days per lifetime.

(d) Nursing home policies may provide benefits subject to a lifetime maximum, but the lifetime maximum shall be at least 365 days of coverage.

(e) Nursing Home policies may limit coverage to care certified as necessary by the attending physician and periodically recertified as necessary.

(f) Nursing home policies are not required to duplicate payments by Medicare for nursing home care.

(g) The following limitations and exclusions are prohibited in nursing home policies:

1. Coverage limited to only certain levels of care, such as skilled care.
2. Coverage limited to care received as a result of sickness or injury.
3. Coverage limited to care received after a hospital confinement.

(6) SEVERABILITY. If any provision of this section or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this section which can be given effect without the invalid provision or application, and to this end the parts of this section are declared to be severable.

(7) EFFECTIVE DATE. This rule shall take effect November 1, 1981.

Dated at Madison, Wisconsin, this 16th day of March, 1981.


Thomas R. Hefty
Deputy Commissioner of Insurance