**Checklist for Premium Increase Notices**

|  |  |
| --- | --- |
| **Company name:** |  |
| **Product form:** |  |
| **Tracking number** **SERFF rate filing:** |  |
| **Tracking number(s)** **SERFF form filing:** |  |

|  |  |  |
| --- | --- | --- |
| **Yes** | **No** | **SERFF FILING** |
| [ ]  | [ ]  | 1. Confirm filing contains all materials (Policy Holder Letter, supplemental FAQ, website screenshots, graphs, illustrations, etc.)
 |
| [ ]  | [ ]  | 1. Will the rate action be effective after filing is approved?
 |
| [ ]  | [ ]  | 1. Will the rate action be mailed at least 45 days prior to the policy holder anniversary date?
 |
| [ ]  | [ ]  | 1. Are there innovative options that have not been discussed prior to filing?
 |
| [ ]  | [ ]  | 1. Are there sample policy holder letters with a statement of variability?
 |
| [ ]  | [ ]  | 1. Are there company rules for customer service interactions regarding RBOs?
 |
| **Yes** | **No** | **READABILITY** |
| [ ]  | [ ]  | 1. Is the notice clearly worded and easy to understand?
 |
| [ ]  | [ ]  | 1. Are all technical terms defined?
 |
| [ ]  | [ ]  | 1. Are all technical terms used consistently throughout the document?
 |
| [ ]  | [ ]  | 1. Is the notice in an easily readable font in at least 11-point type?
 |
| [ ]  | [ ]  | 1. Does the notice use headings to help the reader find information easily?
 |
| [ ]  | [ ]  | 1. Is white space (margins, lines spacing, and spacing between paragraphs) sufficient and consistent?
 |
|[ ] [ ]  1. Are tables, charts, and other graphics, easy to read and understand?
 |
| [ ]  | [ ]  | 1. Are the grade level and reading ease scores appropriate (10th grade or lower; Flesch reading ease score 40 or higher)?
 |
| [ ]  | [ ]  | 1. Side-by-side illustrations of options compared with current benefits.
 |
| [ ]  | [ ]  | 1. If FAQs are included, are they succinct and easy to understand.
 |
| [ ]  | [ ]  | 1. Does the company provide accessibility of its online and written material to all interested parties, including those with disabilities such as blindness or low vision, deafness and hearing loss, learning disabilities, cognitive limitations, limited movement, speech disabilities, photosensitivity and combinations of these?
 |
| [ ]  | [ ]  | 1. Does the company provide access to translation services as needed for policyholders for whom English is not a first language?
 |
| **Yes** | **No** | **IDENTIFICATION** |
| [ ]  | [ ]  | 1. Does the letter answer what is happening?
 |
| [ ]  | [ ]  | 1. Does the letter answer why the consumer is receiving a rate increase?
 |
| [ ]  | [ ]  | 1. Does the letter reflect negatively on the Department of Insurance?
 |
| [ ]  | [ ]  | 1. Does the letter indicate when the rate increase will be effective?
 |
| [ ]  | [ ]  | 1. Does the letter clearly indicate they have options?
 |
| [ ]  | [ ]  | 1. Does the letter indicate how to elect an option?
 |
| [ ]  | [ ]  | 1. Does the letter clearly describe “class basis”?

Are consumers being singled out for the increase? Suggested text: “Overall experience of all contracts in your class…” |
| **Yes** | **No** | **COMMUNICATION TOUCH AND TONE** |
| [ ]  | [ ]  | 1. Does the notice remind consumers to reflect on why they may have purchased the policy?
 |
| [ ]  | [ ]  | 1. Does the letter express empathy?
 |
| [ ]  | [ ]  | 1. A statement telling consumers how to contact the company for more information or help understanding their options.
 |
| [ ]  | [ ]  | 1. Is the company’s consumer service number easy to find?
 |
| [ ]  | [ ]  | 1. Are the options represented fairly? Is one option emphasized, mentioned multiple times or bolded where the others are not?
 |
| [ ]  | [ ]  | 1. Are the words used that could influence a policy-holder’s decision, such as *must* or *avoid*?
 |
| **Yes** | **No** | **CONSULTATION AND CONTACT INFORMATION** |
| [ ]  | [ ]  | 1. Is the company’s consumer service number easy to find?
 |
| [ ]  | [ ]  | 1. Does the Company encourage consumers to consult with any of the following: Financial planner, producer, trusted family member, AA of Aging, Department of Insurance, or SHIP office?
 |
| [ ]  | [ ]  | 1. Is there a cash buy out option? If so, does the letter encourage consumers to consult with a tax advisor?
 |
| **Yes** | **No** | **UNDERSTANDING OPTIONS - PRESENTATION** |
| [ ]  | [ ]  | 1. Does the document have a clearly worded, descriptive title or subject line? For example: **Your Long-Term Care Premiums Are Increasing**.
 |
| [ ]  | [ ]  | 1. Are the options included with the rate increase notification letter?
 |
| [ ]  | [ ]  | 1. Are there four or fewer options presented?
 |
| [ ]  | [ ]  | 1. Is the Right to Reduce Coverage at Any Time clear?
 |
| [ ]  | [ ]  | 1. Is there enough information to make a decision? If other sources are referenced like videos, websites, etc. are they supplemental education materials or are they required sources to decide on an option?
 |
| **Yes** | **No** | **UNDERSTANDING OPTIONS – PAST RATE ACTIONS** |
| [ ]  | [ ]  | 1. Does the notice include a statement that premiums may increase in the future?
 |
| [ ]  | [ ]  | 1. Does the letter include a 10-year nationwide rate increase history for this and similar forms?
 |
| [ ]  | [ ]  | 1. Does the letter disclose the policy is guaranteed renewal?
 |
| **Yes** | **No** | **UNDERSTANDING OPTIONS – WINDOW OF TIME TO ACT** |
| [ ]  | [ ]  | 1. Does the letter indicate what the reader must do and the deadline to do it?
 |
|  |  | 1. For options that are only available during the decision window, is it clear to consumers?
 |
| [ ]  | [ ]  | 1. Does the letter answer what happens if no payment is sent?
 |
| **Yes** | **No** | **UNDERSTANDING OPTIONS – CURRENT BENEFITS** |
| Does the notice include **all** the following information? |
| [ ]  | [ ]  | 1. Current benefits (daily benefit, elimination period, current lifetime maximum benefit in dollars, inflation option, partnership status) in list form
 |
| [ ]  | [ ]  | 1. Current benefits (daily benefit, elimination period, current lifetime maximum benefit in dollars, inflation option, partnership status)
 |
| [ ]  | [ ]  | 1. If current benefits have an inflation option include lifetime maximum benefit in dollars illustrated both five and fifteen years into the future?
 |
| **Yes** | **No** | **UNDERSTANDING OPTIONS – PERSONAL DECISION** |
| [ ]  | [ ]  | 1. Options should only be listed for what is available to the policy holder.
 |
| [ ]  | [ ]  | 1. Does the letter contain descriptions of the consumer’s options (including daily benefit, elimination period, current lifetime maximum benefit in dollars, inflation option, partnership status)?
 |
| [ ]  | [ ]  | 1. Does the letter prompt the policy holder to consider their personal situation, such as: current age, health conditions, financial position, availability of caregivers, spouse or partner impacts, and potential need for institutionalized care?
 |
| [ ]  | [ ]  | 1. Does the letter include the average age of claim?
 |
| [ ]  | [ ]  | 1. Does the letter include the factors that influence the age, duration, and cost of a claim?
 |
| [ ]  | [ ]  | 1. Does the letter include the average duration of claim for in-home, assisted living, and nursing home care?
 |
| [ ]  | [ ]  | 1. Does the letter include the average cost of care in their area?
* In home
* Assisted living
* Nursing home
 |
| [ ]  | [ ]  | 1. Does the letter include the average inflation rate for the cost of care for in-home and nursing home in their area?
 |
| **Yes** | **No** | **UNDERSTANDING OPTIONS – DISCLOSURES** |
| [ ]  | [ ]  | 1. Does the letter include a disclosure if a reduction option results in the minimum daily or monthly amount falling below the cost of care in their region?
 |
| [ ]  | [ ]  | 1. Does the letter include a disclosure for Paid Up options advising the duration of care the reduced amount could cover based on care in their area?
 |
| [ ]  | [ ]  | 1. Is there a cash buy out option? If so, does the letter include a disclosure for to the policy holder advising they should consult with their certified personal accountant or tax advisor before electing this option?
 |
| **Yes** | **No** | **UNDERSTANDING OPTIONS – VALUE OF OPTIONS** |
| [ ]  | [ ]  | 1. Do options clearly indicate value for consumers? Do CNF and other limited options clearly describe the reduction in value (benefit period)?
 |
| [ ]  | [ ]  | 1. Is there a unit price or value comparison?
 |
| [ ]  | [ ]  | 1. Most popular option.
 |
| [ ]  | [ ]  | 1. A statement telling consumers how to contact the company for more information, the full list of options, or help understand their options.
 |
| [ ]  | [ ]  | 1. Options should not include reducing daily benefit amount.
 |
| **Yes** | **No** | **UNDERSTANDING OPTIONS – IMPACT OF DECISION** |
| [ ]  | [ ]  | 1. Side-by-side illustrations of options compared with current benefits.
 |
| [ ]  | [ ]  | 1. Do the options reflect the impact of the inflation option in terms of growth or reduction if the option is to remove or reduce inflation?
 |
| [ ]  | [ ]  | 1. Are the pros and cons of each option indicated?
 |
| [ ]  | [ ]  | 1. For phased-in increases: Is there a table with all phase-in dates and premium amounts?
 |
| [ ]  | [ ]  | 1. For phased-in increases, are there letters sent 45-60 days before each phase of the increase?
 |
| [ ]  | [ ]  | 1. Are potential tax consequences of options clearly disclosed?
 |
| [ ]  | [ ]  | 1. Does the letter disclose risk of losing partnership status and what it means if lost?
 |

**Considerations:**

* Standardized format and order of letter segments
* Should companies notify consumers of rate increases when filed (in addition to notification 45-60 days before effective date?)
* Inflation Reduction – does the removal of inflation growth in the future maintain current inflated benefits? (Model Regulation 641 requires that inflation reduction or removal should not impact or remove past inflation of benefits).
* Should copy go to lapse notifier?
* Check website links and phone numbers to ensure they are accurate and functional.
* Cost of Care data:
	+ What source should they use?
	+ What is an acceptable for “in your area”? State, zip code, etc.?