



INSURANCE

Dave Heineman
Governor

Ann M. Frohman
Acting Director

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Director Wagner Remembered by Colleagues and Friends

L. Tim Wagner, Director of Insurance since 1999, passed away on October 9 from complications of a stroke he suffered on October 3. Tim is survived by his wife, Martie, his four children, a step-son, and nine grandchildren.

Governor Dave Heineman praised Tim's work as Director stating, "Tim was a great asset to the state of Nebraska. He was very professional when it came to the role he played in regulating the insurance industry, yet was very successful in helping recruit new business investment to our state. He worked tirelessly to position our state as an excellent place for insurance companies to do business and his many contributions will not be forgotten."

Tim's 44-year career was spent working in insurance, and he found enormous fulfillment during his career where colleagues became treasured friends.

Tim was been described by his colleagues as one of the most knowledgeable and trusted regulators in the nation. In paying tribute to him, fellow regulators shared their memories through some of the following comments: "We looked to Tim as an example of how to be a good regulator." "His leadership, integrity, and common sense were obvious and appreciated by all who came in contact with him." "The contributions he made were many, and the impact he had was profound." "Tim as a great friend and teacher." "When Tim speaks, everyone listens." He was summarized by many as, "someone who never forgot who he was working for—the people of Nebraska."

Ann M. Frohman was appointed by Governor Heineman on October 10, 2007 to serve as Acting Director of the Department.

CONSUMER AFFAIRS DIVISION

Responses to Consumer Complaints

Following are reminders for companies and agents responding to consumer complaints:

- Chapters 60 and 61 require duplicate responses to Department inquiries. A duplicate copy of your response on company letterhead is sufficient, and will be sent to the complainant. We do not send copies of the enclosures unless the document is something an insured might receive anyway, such as a declarations page, notice of cancellation, billing statement or correspondence previously sent to him or her.
- Please verify your responses include all requested information. If you are not certain what is needed, you may telephone the investigator for clarification.
- Additionally, as our letter requests, please mail your responses; don't fax or e-mail them. If your response is delayed, you may telephone the investigator and request an extension. We ask that you explain the reason the extension is needed and provide an estimated response date. It is not enough to fax the cover letter and indicate the enclosures are being mailed. The response is not considered complete until we receive all the requested information.
- When we request copies of a rate or form filing, please do not advise the information is on file with the department. With the limited information generally provided by the complainant, it is often impossible for the investigator to determine which is the pertinent filing. It is not necessary to provide a paper copy if the filing was made electronically; instead, please provide the SERFF tracking number so the investigator can retrieve the documentation.

Chapters 60 and 61 require duplicate responses to Department inquiries, a copy of which is sent to the complainant.

If the response is delayed, you may telephone the investigator and request an extension, explaining the reason the extension is needed and providing an estimated response date.

When copies of a rate or form filing are requested, please provide the SERFF tracking number if the filing was made electronically.

Sales Tax on Contractor Labor

As of October 1, 2007, sales tax on contractor labor was no longer required. Please access the Department of Revenue's website at www.revenue.ne.gov for specific information.

LIFE & HEALTH DIVISION

Long-Term Care Partnership Policies

The State of Nebraska has received approval from the Centers for Medicare and Medicaid Services (CMS) for the Nebraska Long-Term Care Partnership Program. The effective date of the Nebraska Long-Term Care Partnership Program was July 1, 2006.

A Partnership Policy is a tax qualified long-term care insurance policy, including a certificate issued under a group insurance contract, which would result in an asset disregard equal to the amount of long-term care benefits received under a Partnership Policy for the purpose of determining the policyholder's eligibility for Medicaid after the policy benefits are exhausted. A partnership policy satisfies all of the following requirements:

- **Qualified under federal tax law.** The policy must be a tax qualified long-term care insurance contract.
- **Issue date.** The policy must have been issued after July 1, 2006, the effective date of the Nebraska Long-Term Care Partnership Program.
- **State of residence.** The policy must cover an insured that was a resident of Nebraska when coverage first became effective under the policy.
- **Consumer protection requirements.** Certain requirements of the federal consumer protection requirements of the Social Security Act must be met with respect to the policy.
- **Inflation protection.** With respect to inflation protection, if the policy is sold to an individual who has not attained age 61 as of the date of purchase, the policy must provide compound annual inflation protection. If the policy is sold to an individual who has attained age 61 but has not attained age 76 as of the date of purchase, the policy must provide some level of inflation protection. If the policy is sold to an individual who has attained the age of 76 as of the date of purchase, no inflation protection is required. Nebraska requires that an offer of 5% inflation coverage must be offered, however, a lesser level may be purchased.

Additional Information and Requirements for Partnership Plans

Once a long-term care policy form has been submitted and has been certified by a company as a Partnership Plan, other issues and requirements arise.

- **Notice of Partnership Policy Status.** The issuer shall provide a Notice Regarding Long-Term Care Insurance Partnership Status, to the insured at the issuance of a policy that is intended to be a Partnership Policy. A template for the policyholder notice may be found on the Department website at www.doi.ne.gov/ltcare/index.htm.
- **Notice of Certification to the Nebraska Department of Health and Human Services.** Once a company certifies that a policy form satisfies the requirements for a Partnership Plan, the Department will certify to the Nebraska Department of Health and Human Services that, based upon the information submitted by the insurer, the policy forms and accompanying riders and endorsements comply with the requirements of a Partnership Plan. Companies may request the Department of Insurance certify that a policy form

meets the requirements by submitting an Issuer Certification Form. An explanation must be provided for all “no” and “not applicable” responses on the Issuer Certification Form. For record retention purposes, the Department requests that Issuer Certification Forms be submitted via SERFF—System for Electronic Rate and Form Filings. A list of certified policy forms and a sample Issuer Certification Form are available on the Department website at www.doi.ne.gov.

- **Limitation on Partnership Policy Specific Rules.** No requirements affecting the terms or benefits of a Partnership Policy may be imposed by the Nebraska Department of Insurance unless such requirement is imposed on all long-term care insurance policies without regard to whether the policy is a Partnership Policy.
- **Interim Reporting Requirements.** Issuers of Partnership Policies must provide regular reports to the Centers for Medicare and Medicaid Services (CMS) in accordance with any regulations or guidance the federal government may require.
- **Reciprocity.** Under the Deficit Reduction Act and pending further guidance from the federal government, the Nebraska Long-Term Care Partnership Program shall provide reciprocity with respect to long-term care insurance partnership policies covered under other state long-term care insurance partnership programs.
- **Asset Disregard.** Asset Disregard means that an amount of the policyholder’s assets equal to the amount of long-term care benefits received under a qualified Partnership Policy will be disregarded for the purpose of determining the policyholder’s eligibility for Medicaid after the policy benefits are exhausted. This allows a person to keep assets equal to the amounts received under a qualified Partnership Policy without affecting the person’s eligibility for Medicaid. Asset Disregard is **not** available under a long-term care insurance policy that is not a Partnership Policy.
- **Producer Training.** CMS requires that the Director of Insurance provide assurance that any producer who solicits a policy under a Partnership Program receives training and demonstrates an understanding of Partnership policies. Accordingly, an individual may not sell, solicit or negotiate long-term care insurance unless the individual is authorized as an insurance producer for health or sickness and accident and has completed a one-time training course by or before August 1, 2008 and ongoing training every 24 months thereafter. The one time training course shall be at least eight hours and the ongoing training shall be at least four hours during each 24-month period. Company Bulletin 114 and a list of approved continuing education courses is available on the Department website at www.doi.ne.gov.

While the Department of Insurance cannot and will not endorse any products, producers or companies, the Department of Insurance is available to answer general questions about insurance matters regarding the Long-Term Care Partnership Program. Please contact the Department of Insurance at (402) 471-2201.

Questions about Medicaid issues should be addressed to the Nebraska Department of Health and Human Services at (402) 471-3121.

Additional information regarding the Long-Term Care Partnership Program may be found at <http://www.doi.ne.gov/ltcare/index.html>.

