

A Look Back at 2011 Looking Forward to 2012



What a Year!

A Busy Year

- Over 21,000 statutes, regs, bulletins

Consumer Protection

- Trade Practices
- Underwriting
- Suitability
- Claims
- Disclosures
- Health Care Reform
- Mandated Benefits



Trade Practices



Rebates & Inducements

New Jersey

- Examples of services/benefits considered prohibited rebates or inducements:
 1. Payments of cash or cash equivalents of greater than \$25.
 2. Provision of tickets to a concert or event with a value greater than \$25.
 3. COBRA, HRA, HSA, and FSA administration services offered only to new customers who agree to change producers or insurers, which are not otherwise provided to in-force accounts.

Bulletin 11-22

Trade Practices - Domestic Abuse

North Dakota

- Insurers are prohibited from unfairly discriminating against an individual based on their history or status as a subject of domestic abuse when writing policies or contracts.

Effective August 1, 2011 (HB 1175)

Trade Practices - Civil Unions

Delaware

- Insurers not required to file amended forms
- However, existing and newly-issued policies must be administered to provide parties to a civil union and their dependent children with identical benefits, rights and protections as those afforded to married spouses and their dependent children.
- Insurers' processes and systems must also be exactly the same with respect to parties to a civil union and married spouses.
- Rates may not differ for two-person coverage (spousal) or family coverage based on whether the couple is in a civil union or a marriage.

Effective Jan. 1, 2012 (SB 30; Domestic/Foreign Insurers Bulletin 46)

Trade Practices - Civil Unions

Hawaii

- Unions entered into in other jurisdictions between two individuals not recognized under state marriage laws shall be recognized as civil unions
- Must meet the eligibility requirements, conforms with the laws of that jurisdiction and can be documented

Effective January 1, 2012 (SB 232)

Trade Practices - Civil Unions

Illinois

- Religious Freedom Protection and Civil Union Act
- CB 2011-06 requires companies to include, in the first set of policy forms, annual privacy notices...distributed to insureds after the Act's effective date of June 1, 2011:
 1. a notice regarding the company's compliance with the Act
 2. notice should provide basic information about the Act, and
 3. inform insureds that the policy or contract provides parties to a civil union and a marriage identical benefits and protections
- Notice is not required to be filed with the Department prior to use

Effective June 1, 2011 (SB 1716; Bulletin 2011-06; Bulletin 2011-12)

Trade Practices - Civil Unions

Rhode Island

- Insurance contracts and policies offered by insurers to married couples, spouses, and their families to be offered to parties to a civil union, and their families.
- All insurance contracts and policies to provide coverage equivalent to coverage provided to married persons and their families
- Effective January 1, 2012, any party to a civil union wishing to change his or her insurance contract or policy into a joint contract or policy is entitled to make that change:
 1. To the extent a married person would be allowed to change his or her policy, without incurring any penalty as the result of such change
 2. Change may be subject to standard and routine underwriting of the party to be added to the policy or contract

Effective January 1, 2012 (H6103Aaa; Regulation 118 effective Dec. 23)

Property & Casualty



Underwriting



Policies

Colorado

- Policy form text cannot exceed 10th grade level or less than a 50 Flesch score
- Insurer to report the readability scores prior to the issuance/renewal/ of a policy or the use of the policy form.
- Index or TOC required if policy exceeds 3 pages in length or if the text of the policy exceeds 3,000 words
- Minimum 10 pt type

Effective 1-1-12

Nonrenewal - Personal Auto

New Jersey

- Private passenger automobiles policies.
- Revised definition of "acceptance criteria"
- Standards for the issuance of nonrenewal notices, including policy nonrenewals for insureds who are ineligible persons for failure to meet the insurer's acceptance criteria in an amount not to exceed two percent of the insurer's in force voluntary market policies in each rating territory.

Effective September 19, 2011 (NJAC 11:3-8)

Nonrenewal - Personal Auto

Oregon

- An owner's policy may not be nonrenewed solely on the basis that the insured vehicle has been made available for personal vehicle sharing pursuant to a personal vehicle sharing program.

Effective January 1, 2012 (HB 3149)

Cancellation and Nonrenewal - Commercial Lines

Connecticut

- Whenever a policy for commercial risk insurance is nonrenewed or cancelled for any reason, the insurer must provide a loss report not later than 30 days after of receipt of the written request (formerly within 60 days)
- Same 30 days timeframe apply to subsequent reports

Effective January 1, 2012 (HB 6508)

Nonrenewal/Declination - Personal Auto

New York

- Insurers prohibited from refusing to issue or renew a covered individually-owned private passenger policy solely on the ground that the motor vehicle to be insured will be used for volunteer firefighting

Effective September 16, 2011 (AB 1007)

Cancellation/Nonrenewal - Homeowners

New Jersey

- Insurers may not cancel or nonrenew an insurance policy covering an owner occupied one-to-four family dwelling solely because of claims or losses due to:
 1. weather-related damage or
 2. a third-party criminal act committed by someone who is not a resident of the insured dwelling

Effective November 21, 2011 (NJAC 11:1-20.4)

Underwriting - Homeowners

Maryland

- Based solely on information about the individual's status as a victim of a crime of violence to, insurers may not:
 1. cancel, refuse to underwrite or renew, or refuse to issue;
 2. increase rates; or
 3. increase a premium, add a surcharge, apply a rating factor, retier a policy, remove a discount, or take any other adverse underwriting or rating action.

Effective October 1, 2011 (Bulletin 11-13; HB 247)

Carriers have until October 1, 2012 to revise their forms

Underwriting/Rating - Credit Information

Massachusetts

- Insurers are prohibited from refusing to issue or renew a private passenger motor vehicle insurance policy based upon credit information, including a numerical credit-based insurance score or other credit rating of an applicant or insured
- Rates shall not be based, in whole or in part, on any credit information relating to an insured

Effective February 19, 2012 (HB 3795)

Credit Scoring - ELC's

Montana

- Overseas military service was added to the list of extraordinary life circumstances

Effective May 5, 2011 (HB 29)

Credit Scoring - ELC's

Nevada:

- Applicants or policyholders whose credit information has been directly influenced by these extraordinary life circumstances may request ELC consideration
- Insurers must provide a notice to their applicants and policyholders explaining that reasonable exceptions are available and how they may request information to apply for an exception

Effective October 1, 2011 (AB 74; Bulletin 11-005)

Underwriting - Firearms Ownership

Florida

- Insurers may not deny coverage, increase any premium, or otherwise discriminate against any insured or applicant for insurance on the basis of or upon reliance upon the lawful ownership or possession of a firearm or ammunition or the lawful use or storage of a firearm or ammunition.

Effective June 2, 2011 (HB 155)

Claims



Claims - Total Losses

Rhode Island

- Insurers must include sales tax in its calculation of settlement value in any total loss claim effective October 1, 2011.

Bulletin 2011-4; Issued July 7, 2011

Claims - Steering

Rhode Island

- Transmittal of truthful information to consumers does not constitute “steering”
- Providing truthful, non-coercive information about available options is not a 'recommendation' prohibited by the statute.
- Prohibits insurers from making any misrepresentation to the claimant (first or third party) about certain matters, including the limitations, scope, and/or quality of the work of any automobile body repair shop or of the warranty or guarantee provided by any shop for the work performed

Bulletin 2004-2, updated August 23, 2011

Claims - Total Losses

Maryland

- The Maryland Motor Vehicle Administration increased the amount charged for a title fee from \$50.00 to \$100.00.
- Insurers required to include applicable taxes and transfer fees in a settlement offer regardless of whether or not the claimant retains salvage rights.

Effective July 1, 2011

Claims - Auto Issues

Virginia

- When a vehicle has been damaged by water to such an extent that the insurance company insuring it has paid a claim of \$3,500 or more because of this water damage, the insurance company shall report the payment to the Department

Effective July 1, 2011 (SB 1416)

Claims - Auto Insurance Fraud

Wisconsin

- Phantom motor vehicles involved in an accident with a person who has UM
 1. The facts of the accident are corroborated by competent evidence that is provided by someone other than the insured or any other person who makes a claim against the uninsured motorist coverage as a result of the accident.
 2. Within 72 hours after the accident, the insured or someone on behalf of the insured reports the accident to a police, peace, or judicial officer or to the department of transportation or, if the accident occurs outside of Wisconsin, the equivalent agency in the state where the accident occurs.
 3. Within 30 days after the accident occurs, the insured or someone on behalf of the insured files with the insurer a statement under oath that the insured or a legal representative has a cause of action arising out of the accident for damages against a person whose identity is not ascertainable and sets forth the facts in support of the statement.

Effective November 1, 2011 (AB 4)

Product Filings



What to File

Vermont

- Each filing submitted must be accurate, consistent, complete, and contain all required documents.
- Responses to a Filing Objection Letter must be submitted as a Response Letter on SERFF.
- All filings are public records, except claims-made and assigned risk market rate and loss cost filings, which become public upon approval
- All rate, rule and form filings must be submitted using SERFF, except consent to rate filings.
- All forms that comprise a part of the policy or contract of insurance are considered prior approval; 'Me too' or 'reference' filings are not permitted.
- Readability and font size requirements

Effective May 15, 2011 (Regulation 2010-3; Bulletin 160)

What to File - “Confidential”

Alabama

- Proprietary actuarial risk analysis or forecasting information or information otherwise restricted by statute or regulation included in a rate filing or related actuarial information is considered to be a commercially valuable trade secret
- Submit under separate cover and clearly state the company’s request as to its confidentiality.

Effective Sept. 1, 2011 (Bulletin 2011-02; Act 2011-644)

Product Filing

New York

- Commercial deregulation for specific rates and policy forms
- Policy is issued to a large commercial insured that employs or retains a special risk manager to assist in the negotiation and purchase of the policy.

Effective November 15, 2011 (SB 5811)

Product Filing

Virginia

- Professional liability insurance policies are now eligible for the large commercial risk exemption
- Insurers issuing policies under the exemption for large commercial risks no longer required to report annually to the Commission on the number of exempted policyholders

Effective July 1, 2011 (HB 1586/SB 1015)

Certificates of Insurance



Certificates of Insurance - 2011

- Arizona's Bulletin 2011-01: outlines the requirements that certificates must clearly and accurately state the insurance coverage provided and may not obscure or misrepresent the coverage or terms of a policy
- Georgia's Directive 11-EX-2: reminder that every certificate of insurance, except automobile liability insurance cards, is to include the following statement, or a substantially similar one, printed conspicuously and in no smaller than 10 point font, boldfaced type: "This document is issued as a matter of information only and confers no rights upon the document holder. This document does not amend, extend, or alter the coverage, terms, exclusions, conditions, or other provisions afforded by the policies referenced herein."

Certificates of Insurance

Maryland

- DOI to conduct a study on the impact of requiring a certificate of insurance to be in a form that must be filed with and approved by the DOI before use.

Effective October 1, 2011 (SB 656/HB 982)

Certificates of Insurance

Massachusetts

- Certificates of insurance must be filed with the Division
- The Division urged all insurers:
 1. To forward a copy of the Bulletin to their appointed insurance producers and customer service representatives, reminding them of the consequences
 2. To provide thorough instructions to their appointed insurance producers on how they should meet client expectations, and which expectations they cannot meet under the law.

Bulletin 11-07 (April 4, 2011)

Portable Electronics Insurance

- Generally, under the terms of a Portable Electronics Insurance Act, insurance is offered to the consumer by a vendor authorized under the Act to hold a limited lines insurance license
- Vendor must disclose information including the identity of the insurer underwriting the coverage, key terms and conditions of coverage, claims filing information, and a statement that the insurance purchase is not a requirement of the sale or lease of the device and that coverage may duplicate existing coverage under a personal homeowners' or renters' policy.

Portable Electronics Insurance

- Arkansas - SB 938
- California - AB 690
- Illinois - HB 1284
- Kansas - SB 170
- Missouri - SB 132
- Nebraska - LB 535
- Nevada - SB 292
- North Carolina - HB 617
- Oklahoma - SB 801
- Oregon - HB 3411
- Tennessee - HB 1267
- Virginia - HB 2480
- West Virginia - SB 472

Life & Annuities



Annuities Suitability



Annuities Suitability Activity - 2011

- Alaska: 3 AAC 26.770-.789
- California: AB 689
- Colorado: Regulation 4-1-11; B-4.12
- Connecticut: 38a-432a
- Hawaii: SB 1278; Bulletin 2011-2LIC
- Illinois: 50 Ill. Adm. Code 3120.20; Bulletin 2011-13
- Iowa: Bulletin 11-04
- Maryland: COMAR 31-09-12; Bulletins 11-10 & 11-28
- New Jersey: NJAC 11:4-59
- Texas: HB 2277
- New York: Reg 187
- North Dakota: 26.1-34.2
- Ohio: 3901-6-13
- Oregon: 836-080-0170 to 836-080-0190
- Rhode Island: R27-12; Bulletin 2011-2
- West Virginia: 114-11B

Suitability - Model 275 continues

- System of supervision
- Product-specific training
- Reasonable basis to believe that the consumer would benefit from features of the annuity

Annuities Suitability

California

- Prohibits insurance producers from selling annuities without DOI-approved training
- Requires insurers to set forth standards for recommendations to consumers that result in transactions involving annuities, so that the insurance needs and financial objectives of consumers are appropriately addressed.
- Requires producers and insurers to have reasonable grounds for believing that the recommendations on annuity transactions are suitable for the consumer on the basis of the facts disclosed as to the consumer's investments/insurance products and as to the consumer's financial situation and needs.
- Prohibits producers and insurers from recommending to persons 65 years or older, the sale of an annuity to replace an existing annuity that requires such insureds to pay a surrender charge for the annuity being replaced, where purchase of the annuity does not confer a substantial financial benefit over the life of the policy to the consumer.
- Insurers must establish a supervision system that is reasonably designed to achieve the insurer's and its insurance producers' compliance

Effective January 1, 2012 (AB 689)

Suitability

Connecticut

- Aligned with NAIC Model 275 and certain standards set by FINRA
- Requires a producer to have adequate knowledge of the product before soliciting the sale of an annuity.
- Prohibits an insurer from issuing an annuity recommended to a consumer unless such suitability requirements are met.
- Requires an insurer to establish a system of supervision for compliance by the insurer and its producers as specified. Insurers may contract for establishment of a suitability supervision system, but are not relieved of responsibility for compliance if they contract those functions.
- Prohibits a producer from dissuading, or attempting to dissuade, a consumer from taking certain actions.
- Provides for FINRA “safe harbor”

Effective February 18, 2012.

Suitability

Kentucky

- Insurers and insurance producers must follow and establish additional procedures when recommending a suitable insurance transaction for the insured.

Effective January 1, 2012 (806 KAR 12:120)

Retained Asset Accounts



Retained Asset Accounts Activity - 2011

Legislative

- California - SB 713/ SB 599
- Indiana - SB 360
- Kentucky - HB 309
- Maryland - SB 217
- New York - AB 683/SB 504 (P)
- Rhode Island - H5244Aaa/S0045A
- Pennsylvania - HB 718 (P)
- Texas - HB 2152 (P)
- Virginia - HB 1458/SB 1388

Regulatory

- Colorado - B-4.12
- Connecticut - Bulletin IC-27
- Illinois - Bulletin 2011-3/2011-03 R
- Iowa - Bulletin 11-01
- Maine - Bulletin 376
- Maryland - 31.09.14.05
- Nebraska - CB-125
- New Jersey - Order A 11-101;
NJAC 11:4-61.1
- Ohio - Bulletin 2011-01
- West Virginia - Informational
Bulletin 178A

Retained Asset Accounts

California

- All life insurance benefits to be paid in the form of a lump-sum payment to the beneficiary or by another settlement option that is clearly described in the claim form.
- If the beneficiary does not choose one of the available settlement options, a retained asset account would be authorized to be the default option only if the claim form provides a prominent disclosure, as prescribed, that in the absence of a choice by the beneficiary, payment of policy benefits would be made through the establishment of a RAA on the beneficiary's behalf.
- Any life insurance benefits settlement that an insurer offers or recommends, other than for a lump-sum payment, would be required to conform to specified conditions.

Effective January 1, 2012 (SB 599)

Retained Asset Accounts

Indiana

- Disclosure required before proceeds transferred
- An insurer may not use a retained asset account unless, before the policy proceeds are transferred to the retained asset account, the insurer:
 1. informs: the beneficiary, the legal representative of the beneficiary or, in the case of a group policy, the policy owner of the beneficiary's right to a lump sum payment of the full amount of the policy proceeds; and
 2. makes the disclosure

Effective July 1, 2011 (SB 360)

Retained Asset Accounts

Rhode Island

- Beneficiaries' Bill of Rights Act of 2011
- All marketing materials, disclosure statements, and supplemental contract forms utilized in connection with retained asset accounts shall be filed with the DOI prior to their use
- Insurer reporting to DOI
- Applies to claims for a death benefit under any policy or certificate of life insurance subject to the insurance laws of the state where the beneficiary resides submitted on or after September 1, 2011

Effective July 13, 2011 (HB 5244/SB 45)

Underwriting



Disclosures

Kentucky

- The December 2010 buyer's guide has been replaced by a guide dated July 2011
- Insurers will be required to provide the new guide to annuity purchasers starting January 1, 2012

Effective November 4, 2011 (806 KAR 12:150)

Disclosures

Maine

- Insurers must provide restrictions on cancellation, termination or lapse of individual life insurance policies to reduce the danger that a life insurance policyholder will lose life insurance coverage when the policyholder suffers from cognitive impairment or functional incapacity and the loss of coverage is due to that cognitive impairment or functional incapacity.
- Within 90 days after cancellation, termination or lapse of coverage due to nonpayment of premium, a policyholder may request reinstatement on the basis that the loss of coverage was a result of the policyholder's cognitive impairment or functional incapacity.

Effective September 28, 2011 (SP 93)

Disclosures

New Hampshire

- Requires two disclosure notices:
 1. “Any of the following actions related to your life insurance policy may have significant future financial, tax or other implications: surrender of the policy; lapse of the policy; failure to pay premium; d. Application of the equity of the policy toward payment of premium; e. Application of accumulated dividends toward payment of premium; f. Financing premium payments; g. Sale of the policy; and h. Assignment of the policy or any right under the policy.”
 2. “Before you act, you need to consider all options carefully and seek advice from a licensed financial advisor, attorney, or other professional who can explain all available options and consequences.”

Effective June 6, 2011 (Rule 312)

Product Filing



Product Filing

Nevada 11-007

- Pertains to individual deferred annuity contracts issued on or after January 1, 2012, and new minimum nonforfeiture law.
- Policy forms that are not in compliance must be revised and filed with the DOI before use.
- All forms submitted for approval must comply with the DOI's filing requirements and must include an actuarial memorandum demonstrating compliance with the revised nonforfeiture law.

Issued September 1, 2011

Product Filing - Free Look

Nevada

- Effective October 1, 2011, individual life insurance policies and annuity contracts not in compliance with new law may not be issued.
- 10-day free-look period applies to annuity contracts, as well as to non-replacement individual life insurance policies
- Minimum 30-day free-look period for replacement policies and contracts
- Policies and contracts that are not in compliance must be revised and submitted to the DOI for approval.

Issued September 1, 2011 (Bulletin 11-008)

Claims



Life Insurance Claims

Arkansas

- Repealed the good faith standard for rescission of life insurance policies.
- Limits insurers' ability to rescind coverage for fraudulent statements or misrepresentations to only those statements that directly impact the specific claim for benefits.
- An insurer is no longer allowed to rescind coverage based on a misrepresentation or omission that is unrelated to the filed claim based on the rationale that had the insurer known this information at the time of application the insurer would not have issued the coverage or the specific coverage amount.

Effective July 27, 2011 (HB 2137)

Life Insurance Claims

Illinois

- Death claims must be paid within 31 days from the date of receipt of proof of loss or from the date of receipt of sufficient information to determine its liability or from the date that any legal impediments to payment of proceeds that depend upon action of parties other than the insurance company are resolved, whichever option is later.
- Insurers must pay interest on the overdue claim at the rate of 10% annually on proceeds due from the date of death until the total payment or first installment is paid.

Effective August 23, 2011 (SB 1607)

Health



Mandated Benefits

California

- Every health care service plan contract and health insurance policy, except as specified, must provide coverage for behavioral health treatment for pervasive developmental disorder or autism.
- No benefits are required to be provided that exceed the essential health benefits that will be required under the federal Patient Protection and Affordable Care Act.
- Requires every health care service plan and health insurer to maintain an adequate network that includes qualified autism service providers.

Effective January 1, 2012 (SB 946)

Mandated Benefits

New Hampshire

- Health carriers shall provide coverage for medically necessary dental services resulting from an accidental injury to sound natural teeth and gums when the course of treatment for the accidental injury is received or authorized within 3 months of the date of the injury. Treatment made necessary due to injury to the jaw and oral structures other than teeth shall be covered without time limit..

Effective August 13, 2011 (HB 175)

Mandated Benefits

Arkansas

- Eligible charges and limits of or exclusions from gastric pacemaker coverage to be based on medical necessity or the health benefit plan's coverage criteria for other medical services.
- A health benefit plan may:
 1. Require prior authorization for a gastric pacemaker in the same manner that prior authorization is required for any other covered benefit; and
 2. Impose copayments, deductibles, or coinsurance amounts for a gastric pacemaker if the amounts are no greater than the copayments, deductibles, or coinsurance amounts that apply to other benefits under the health benefit plan.

Effective July 27, 2011 (HB 1915)

Mandated Benefits - Telehealth

California

- No health insurer or health care service plan shall require that in-person contact occur between a health care provider and a patient before payment is made for the services appropriately provided through telehealth
- No health insurer shall limit the type of setting where services are provided for the patient or by the health care provider before payment is made for the covered services appropriately provided by telehealth

Effective January 1, 2012 (AB 415)

Mandated Benefits

Connecticut

- Expands clinical trial coverage requirements to include all disabling or life-threatening chronic diseases
- Applies to individual and group health insurance policies delivered, issued, renewed, amended, or continued that cover basic hospital expenses, basic medical-surgical expenses, major medical expenses, and hospital or medical services, including HMO plans

Effective January 1, 2012 (SB 21)

Claims - Third Party Administrators

Connecticut

- Each insurer utilizing the services of a TPA is responsible for:
 1. determining the benefits, premium rates, underwriting criteria and claims payment procedures for the lines, classes or types of insurance such third-party administrator is authorized to administer, and for securing reinsurance
 2. providing procedures pertaining to the TPA's administration of benefits, premium rates, underwriting criteria and claims payment.
- If a third-party administrator administers benefits for more than one hundred certificate holders on behalf of an insurer, a review of the operations of the third-party administrator needs to be conducted at least semi-annually. At least one such review shall be an on-site audit of the operations of the third-party administrator.

Effective October 1, 2011 (HB 6308; Bulletin L-17)

Market Conduct



The Reality of Market Regulation

- Consumer protection focus
- Compliance driven
- Resources and commitment
- Costs are significant

P&C Claims - Disclosures

California

- In 9 instances, the Company failed to notify the insured of its intent regarding subrogation.
- 8 involved the failure to notify the insured that it intended to pursue subrogation
- 1 involved the failure to notify the insured of its decision to discontinue subrogation

August 2011

P&C Claims - Total Losses

California

- 20 instances involved the failure to fully itemize and explain in writing the determination of the cost of a comparable vehicle at the time the settlement offer was made.
- 9 instances involved the failure to take reasonable steps to verify that the determination of the cost of a comparable vehicle was accurate and representative of the market value in the local market area.

August 2011

P&C Claims - Total Losses

California

- 12 instances involved the failure to disclose in writing to the insured that notice of the salvage retention by the insured must be provided to the Department of Motor Vehicles and that this notice may affect the loss vehicle's future resale and/or insured value
- 12 instances involved the failure to advise the insured of its right to seek a refund of the unused license fees from the Department of Motor Vehicles
- 9 instances involved the failure to include the fees incident to the transfer of the vehicle to salvage status in the settlement; failure to include the applicable sales tax in the settlement; failure to base the salvage deduction on the amount for which a salvage pool or a licensed salvage dealer, wholesale motor vehicle auction or dismantler will purchase the salvage.

August 2011

P&C - Underwriting

- ...not in compliance with Colorado insurance law in that it failed to retain required records and completed documents in its files pertaining to underwriting and policy issuance activities in 50 of the 116 newly issued policy files the examiners reviewed.
- failed to comply with its own underwriting guidelines

Colorado (June 2011)

P&C - Adverse Decision Notices

- Failure to include notice of the right of the insured to replace coverage through an assigned risk plan in notices of premium increase upon renewal in compliance with Colorado insurance law.
- ...not in compliance with Colorado insurance law in that it failed to include the notice of the right to replace the insurance through an assigned risk plan in the notices of premium increase at renewal for 111 of the 115 sample files.

Colorado (June 2011)

What's in a Name?

- 193 non-billing forms or 8.5% failed to properly identify the legal name of the insurer
- 52 of 112 customer billing forms were found to be not in compliance
- ...Letters and pre-paid envelopes that failed to properly identify the legal name of the insurer
- ...100% of the computerized billing statements...failed to identify the proper legal name of the insuring company

Washington (May 2011)

What's in a Name?

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Washington (May 2011)

Life Underwriting

- {Life Insurance Claims Paid} Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies
- {Universal Life Policies Issued as Replacements} The required 45 day "free look" statement could not be established
- {1035 Exchange to Annuity Contracts Issued} Verification of the date of policy delivery could not be established
- Verification of the date of annuity contract delivery and signature of the producer and the annuitant could not be established
- The agent certification and applicant's acknowledgement of the illustration used post dated the application date in the 2 noted files.

Pennsylvania (October 2011)

Life Underwriting

- Refusal of life insurance; refusal to continue the life insurance of; or limiting the amount, extent, or kind of life insurance coverage available to an individual based solely on the individual's past or future lawful foreign travel plan

Florida (October 2011)

Health Claims

- Failure to pay clean claims within 30 days from receipt of such claim
- Failure to pay interest on claims which payment was issued at some date after the initial 30 days allowed to pay a claim
- Failure to send proper notice of denied claims or deny claims for improper reasons
- Failure to acknowledge a claim within 30 days after the receipt of such claim
- Failure to properly conduct a claim investigation within 30 days after receipt of such claim
- Failure to adequately document the claim files

Kansas (October 2011)

Health Claims

- Failure to:
 1. comply with Maryland's prompt pay law
 2. reimburse a provider for preauthorized or approved care
 3. conduct utilization reviews
- Failure to pay benefits for this medically necessary treatment in accordance with its contract and Maryland law

Maryland (September 2011)

All Lines

- Claims
- Underwriting
- Marketing & Sales
- Licensing & Appointment

2012?



What will 2012 Bring?

- Fewer states in session
- Approximately 30 states have “carry-overs”
- Continuation of consumer protection initiatives
- More...
 - Disclosure requirements
 - ELC provisions
 - RAA restrictions
 - Total loss clarifications
 - Cancellation/nonrenewal structure
 - Health care reform adjustments

What will 2012 Bring?

Another year of

- Proposals
- Watching & waiting
- Changes in compliance

Thank You!



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