

Guiding Principles to Ensure Quality Consumer Notices of Rate Increases and Reduced Benefit Options

AUTHORITY

The ~~one~~ reduced benefit -level guiding principles ~~for~~ ~~insure~~ reduced benefit options presented in policyholder notification materials. These principles are guidance and do not carry the weight of law or impose any legal liability. Recognizing that each component outlined in these principles will not apply in all circumstances:

RECOMMENDS that insurance companies recognize these fundamental principles.

CALLS ON all insurance companies to consider the following principles in communicating reduced benefit options available to consumers in the event of a rate increase.

UNDERLINES that the following principles are complementary and should be considered as a whole.

Communication Touch and Tone

Insurers should consider:

- Drafting the communication in a way that helps policyholders envision or reflect on the reason(s) why they purchased a long-term care insurance policy.
- Conveying as much empathy as possible regarding the impact a rate action(s) may have on policyholders.
- Presenting reduced benefit options fairly

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