

§ 58-55-20. Definitions.

As used in this Article:

- (1) "Applicant" means:
 - a. In the case of an individual long-term care insurance policy, the person who seeks to contract for benefits; and
 - b. In the case of a group long-term care insurance policy, the proposed certificate holder.
- (2) "Certificate" means any certificate issued under a group long-term care insurance policy, which policy has been delivered or issued for delivery in this State.
- (3) "Group long-term care insurance" means a long-term care insurance policy that is delivered or issued for delivery in this State and issued to:
 - a. One or more employers or labor organizations, or to a trust or to the trustees of a fund established by one or more employers or labor organizations, or both, for employees or former employees or both, or for members or former members or both, of the employers or labor organizations; or
 - b. Any professional, trade, or occupational association for its members or former or retired members, or all, if such association:
 - (i) Comprises individuals all of whom are or were actively engaged in the same profession, trade, or occupation; and
 - (ii) Has been maintained in good faith for purposes other than obtaining insurance; or
 - c. An association or to a trust or to the trustee or trustees of a fund established, created, or maintained for the benefit of members of one or more associations. Prior to advertising, marketing, or offering such policy within this State, the association or associations, or the insurer of the association or associations, shall file evidence with the Commissioner that the association or associations have at the outset a minimum of 100 persons and have been organized and maintained in good faith for purposes other than that of obtaining insurance; have been in active existence for at least one year; and have a constitution and bylaws which provide that (i) the association or associations hold regular meetings not less than annually to further purposes of the members, (ii) except for credit unions, the association or associations collect dues or solicit contributions from members, and (iii) the members have voting privileges and representation on the governing board and committees. Ninety days after such filing the association or associations will be deemed to have satisfied such organizational requirements, unless the Commissioner makes a finding that the association or associations do not satisfy those organizational requirements.
 - d. A group other than as described in subdivisions (3)a., (3)b., and (3)c. of this section, subject to a finding by the Commissioner that:
 - (i) The issuance of the group policy is not contrary to the best interest of the public;
 - (ii) The issuance of the group policy would result in economies of acquisition or administration; and

- (iii) The benefits are reasonable in relation to the premiums charged.
- (4) "Long-term care insurance" means any policy or certificate advertised, marketed, offered, or designed to provide coverage for not less than 12 consecutive months for each covered person on an expense incurred, indemnity, prepaid, or other basis, for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital. "Long-term care insurance" includes:
 - a. Group and individual annuities and life insurance policies or riders that supplement or directly provide long-term care insurance.
 - b. A policy or rider that provides for payment of benefits based upon cognitive impairment or the loss of functional capacity.
 - c. Qualified long-term care insurance contracts.
 - d. Group and individual policies whether issued by insurers, fraternal benefit societies, nonprofit health, hospital, and medical service corporations, prepaid health plans, health maintenance organizations, or any similar organization. "Long-term care insurance" does not include any policy that is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income protection coverage, accident only coverage, specified disease or specified accident coverage, or limited benefit health coverage.

With regard to life insurance, "long-term care insurance" does not include life insurance policies that accelerate the death benefit specifically for one or more of the qualifying events of terminal illness, medical conditions requiring extraordinary medical intervention or permanent institutional confinement, and that provide the option of a lump-sum payment for those benefits and where neither the benefits nor the eligibility for the benefits is conditioned upon the receipt of long-term care.
- (5) "Policy" means any policy, contract, certificate, subscriber agreement, rider, or endorsement delivered or issued for delivery in this State by an insurer, fraternal benefit society, nonprofit health, hospital or medical service corporation, prepaid health plan, health maintenance organization, or any similar organization. (1987, c. 331, s. 1; c. 864, s. 68; 2007-298, s. 4; 2007-484, s. 43.5.)