**Section 2012.86 Nonforfeiture Benefits**

a) Except as provided in subsection (b), a long-term care insurance policy may not be delivered or issued for delivery in this State unless the policyholder or certificateholder has been offered the option of purchasing a policy or certificate including a nonforfeiture benefit as specified in Section 2012.127 of this Part. The offer of a nonforfeiture benefit may be in the form of a rider that is attached to the policy. In the event the policyholder or certificateholder declines the nonforfeiture benefit, the insurer shall provide a contingent benefit upon lapse that shall be available for a specified period of time following a substantial increase in premium rates.

b) When a group long-term care insurance policy is issued, the offer required in subsection (a) shall be made to the group policyholder. However, if the policy is issued as group long-term care insurance as defined in Section 351A-1(e)(4) of the Code, other than to a continuing care retirement community or other similar entity, the offering shall be made to each proposed certificateholder.

(Source: Added at 32 Ill. Reg. 7600, effective May 5, 2008)