**Section 2012.122 Standards for Marketing**

a) Every insurer, as defined herein, marketing long-term care insurance coverage in this State, directly or through its producers, shall:

1) Establish marketing procedures and producer training requirements to assure that:

A) Any marketing activities, including any comparison of policies, by its agents or other producers will be fair and accurate; and

B) Excessive insurance is not sold or issued.

2) Display prominently by type or stamp or other appropriate means on the first page of the outline of coverage and policy the following: "NOTICE TO BUYER: THIS POLICY MAY NOT COVER ALL THE COSTS ASSOCIATED WITH LONG-TERM CARE INCURRED BY THE BUYER DURING THE PERIOD OF COVERAGE. THE BUYER IS ADVISED TO REVIEW CAREFULLY ALL POLICY LIMITATIONS."

3) Provide copies of the disclosure forms required in Section 2012.62(c) and Exhibits F and J to the applicant.

4) Inquire of a prospective applicant or enrollee for long-term care insurance, and otherwise make every reasonable effort to identify, whether the applicant or enrollee already has accident and sickness or long-term care insurance and the types and amounts of any such insurance, except that, in the case of qualified long-term care insurance contracts, an inquiry into whether a prospective applicant or enrollee for long-term care insurance has accident and sickness insurance is not required.

5) Every insurer or entity marketing long-term care insurance shall establish auditable procedures for verifying compliance with this subsection (a).

6) The insurer shall, at solicitation, provide written notice to the prospective policyholder and certificateholder of the Senior Health Insurance Program (SHIP) that such a program is available and the most current name, address and telephone number of the program. The current address and toll-free telephone number is One Natural Resources Way, #100 Springfield IL 62702-1271 (800)252-8966. The current email address is AGING.SHIP@illinois.gov.

7) For long-term care health insurance policies and certificates, use the terms "noncancellable" or "level premium" only when the policy or certificate conforms to Section 2012.50(a)(3).

8) Provide an explanation of the contingent benefit upon lapse provided for in Section 2012.127(d)(2) and, if applicable, the additional contingent benefit upon lapse provided to policies with fixed or limited premium paying periods in Section 2012.127(d)(3).

b) In addition to the practices prohibited in Article XXVI of the Code, the following acts and practices are prohibited:

1) Twisting. Knowingly making any misleading representation or incomplete or fraudulent comparison of any insurance policies or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on or convert any insurance policy or to take out a policy of insurance with another insurer.

2) High pressure tactics. Employing any method of marketing having the effect of, or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance.

3) Cold lead advertising. Making use directly or indirectly of any method of marketing which fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance producer or insurance company.

4) Misrepresentation. Misrepresenting a material fact in selling or offering to sell a long-term care insurance policy.

c) With respect to the obligations set forth in this subsection, the primary responsibility of an association when endorsing or procuring long-term care insurance shall be to educate its members concerning long-term care issues in general so that its members can make informed decisions. Associations should provide information regarding long-term care insurance policies or certificates to ensure that members of such associations receive a balanced and complete explanation of the features in the policies or certificates that are being sold by the insurer.

1) The insurer shall file with this Department the following material:

A) The policy and certificate;

B) A corresponding outline of coverage, as referenced in Exhibit C of this Part; and

C) All advertisements requested by the Department.

2) The association shall disclose in any long-term care insurance solicitation:

A) The specific nature and amount of the compensation arrangements (including all fees, commissions, administrative fees and other forms of financial support) that the association receives from the endorsement or sale of the policy or certificate to its members; and

B) A brief description of the processes under which such policies and the insurer issuing such policies were selected.

3) If the association and the insurer have interlocking directorates or trustee arrangements, the association shall disclose that fact to its members.

4) The board of directors of associations shall review and approve such insurance policies as well as the compensation arrangements made with the insurer.

5) With respect to long-term care insurance contracts, the association shall also:

A) Engage the services of a person with expertise in long-term care insurance, not affiliated with the insurer, to conduct an examination of the policies including its benefits, features, and rates and update such examination thereafter in the event of a material change;

B) Actively monitor the marketing efforts of the insurer and its agents; and

C) Review and approve all marketing materials or other insurance communications used to promote sales or sent to members regarding the policies or certificates.

6) No group long-term care insurance policy or certificate may be issued to an association unless the insurer files with this Department the information required in this subsection (c).

7) The insurer shall not issue a long-term care policy or certificate to an association or continue to market such a policy or certificate unless the insurer certifies annually that the association has complied with the requirements set forth in this subsection (c).

(Source: Amended at 42 Ill. Reg. 4867, effective February 27, 2018)