

11 NCAC 12 .1025 SUITABILITY

- (a) Each insurer, except an insurer issuing life insurance that accelerates benefits for long-term care, shall:
- (1) Train its agents in the use of its suitability standards.
 - (2) Maintain a copy of its suitability standards and make them available for inspection upon request by the Division.
- (b) To determine whether the applicant meets the standards developed by the insurer, the agent and insurer shall develop procedures that take the following into consideration:
- (1) The ability to pay for the proposed coverage and other pertinent financial information related to the purchase of the coverage.
 - (2) The applicant's goals or needs with respect to long-term care and the advantages and disadvantages of insurance to meet these goals of needs.
 - (3) The values, benefits, and costs of the applicant's existing insurance, if any, when compared to the values, benefits, and costs of the recommended purchase or replacement.
- (c) The sale or dissemination of information obtained through the personal long-term care insurance worksheet referred to in G.S. 58-55-31(c)(1) by an insurer or an agent to any person outside of the insurance company or insurance agency is prohibited.
- (d) Each year the insurer shall report to the Division the total number of applications received from residents of this State, the number of applicants who declined to provide information on the worksheet, the number of applicants who did not meet the suitability standards, the number of those who chose to confirm after receiving a suitability letter.
- (e) An insurer may issue a policy to an applicant that does not meet the financial suitability standards if the applicant signs a waiver acknowledging the suitability results.

*History Note: Authority G.S. 58-2-40(1); 58-55-30(a); 58-55-31;
Eff. April 1, 1999;
Amended Eff. November 1, 1999;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018.*