

11 NCAC 12 .1002 DEFINITIONS

- (a) As used in this Section, "insurer" means an entity licensed under G.S. 58 that writes long-term care insurance.
- (b) As used in this Section, "exceptional increase" means only those increases filed by an insurer as exceptional for which the Commissioner determines the need for the premium rate increase is justified: due to changes in laws or rules applicable to long-term care coverage in this state; or due to increased and unexpected utilization that affects the majority of insurers of similar products. Except as provided in 11 NCAC 12 .1028, exceptional increases are subject to the same requirements as other premium rate schedule increases. The Commissioner may request a review by an independent actuary or a professional actuarial body of the basis for a request that an increase be considered an exceptional increase. The Commissioner, in determining that the necessary basis for an exceptional increase exists, shall also determine any potential offsets to higher claim costs.
- (c) As used in 11 NCAC 12 .1028(k), "incidental" means that the value of the long-term care benefits provided is less than ten percent of the total value of the benefits provided over the life of the policy. These values shall be measured as of the date of issue.
- (d) As used in this Section, "qualified actuary" means a member in good standing of the American Academy of Actuaries.
- (e) As used in this Section, "similar policy forms" means all of the long-term care insurance policies and certificates issued by an insurer in the same long-term care benefit classification as the policy form being considered. Certificates of groups that meet the definition in G.S. 58-55-20(3)a. are not considered similar to certificates or policies otherwise issued as long-term care insurance, but are similar to other comparable certificates with the same long-term care benefit classifications. For purposes of determining similar policy forms, long-term care benefit classifications are defined as follows: institutional long-term care benefits only, non-institutional long-term care benefits only, or comprehensive long-term care benefits.
- (f) The definitions contained in G.S. 58-1-5 and in G.S. 58-55-20 are incorporated in this Section by reference.

History Note: *Authority G.S. 58-2-40(1); 58-55-30(a);*
 Eff. September 1, 1990;
 Amended Eff. February 1, 1996; December 1, 1993; December 1, 1992;
 Amended Eff. August 1, 2002;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1,
 2018.