

Bulletin 95-2

Long term care insurance

March 3, 1995

Each insurer which has any South Dakota insureds with nursing home or long term care coverage which conditions nursing home benefits on a prior hospitalization must send a notice to each such insured. The notice must be sent within sixty (60) days of the date of this Bulletin. The notice shall be as follows:

IMPORTANT NOTICE

We are writing this letter to notify you concerning the benefits your nursing home policy contains. You may not be aware that your policy has a clause which prevents the payment of benefits for a nursing home stay unless you are hospitalized for at least three (3) days prior to your entry into a nursing home. The law was changed in 1991 and policies which have a three (3) day prior hospitalization requirement can no longer be sold. You may wish to look into the purchase of a newer policy which does not have this prior hospitalization requirement. Our company does/does not offer this new type of policy. Please be aware that unless you have a valid medical need for hospitalization you may not be able to be admitted to a hospital in order to meet the requirement of your policy. Most admissions to nursing facilities do not require immediate prior hospitalization. Please feel free to call one of our representatives at (insert phone number) if you have any questions about the policy you have with our company.

If you have no South Dakota insureds or no insureds whose coverage contains the prior hospitalization requirement, a written confirmation of that fact within the sixty (60) day timeframe is required. If you do have South Dakota insureds, written confirmation that the notice has been sent to all insureds must be provided within the sixty (60) day timeframe.

Darla L. Lyon
Director of Insurance