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BULLETIN NO. 08-05

**TO: ALL AUTHORIZED AND ADMITTED LIFE/HEALTH INSURERS
AND ALL LICENSED INSURANCE PRODUCERS**

**FROM: STEVEN M. GOLDMAN, COMMISSIONER, DEPARTMENT OF
BANKING AND INSURANCE**

**RE: LONG TERM CARE INSURANCE PARTNERSHIP PROGRAM
PRODUCER TRAINING REQUIREMENTS**

The Deficit Reduction Act of 2005, P.L. 109-171 (the "DRA"), allows for the expansion of Qualified Long Term Care Insurance Partnership Programs by states. The New Jersey program operates under the direction of the New Jersey Department of Banking and Insurance ("Department") and the New Jersey Department of Human Services. Under the New Jersey Long-Term Care Partnership Program, individuals who purchase long-term care insurance policies that meet certain requirements specified by the DRA ("Partnership Policies") can apply for Medicaid under special rules for determining financial eligibility and estate recoveries. These special rules generally allow the individual to protect assets equal to the insurance benefits received from a Partnership Policy so that such assets will not be taken into account in determining financial eligibility for Medicaid and will not subsequently be subject to Medicaid liens and recoveries. New Jersey's Long Term Care Insurance Partnership Program was approved by the Centers for Medicare and Medicaid Services ("CMS") on February 12, 2008 and will become effective on July 1, 2008.

The DRA and the State Medicaid Director's Letter (SMDL #06-019) dated July 27, 2006, issued by the CMS, require the Department to provide assurance that any producer who sells, solicits or negotiates a policy under New Jersey's Long-Term Care Insurance Partnership Program receives appropriate training and demonstrates an understanding of Partnership Policies and their relationship to public and private coverage for long-term care. In accordance with this requirement, the Department intends to amend its Long-Term Care Insurance Rules, N.J.A.C. 11:4-34, in the near future to prohibit an individual from selling, soliciting or negotiating any long-term care insurance in New Jersey unless the individual is authorized as an insurance producer for accident and health or sickness or life insurance, and has completed a one-time training course by July 1, 2009. Producers who sell, solicit or negotiate long term care insurance will also be required to complete ongoing long-term care insurance training every 24 months thereafter.

The proposed amendments will also provide that prior to July 1, 2009, an individual licensed as an insurance producer to sell accident and health or sickness or life insurance, will be considered to have satisfied these requirements by virtue of holding appropriate licensure for the sale of long-term care insurance in New Jersey. Accordingly, producers will have until July 1, 2009 to complete the required training and may continue selling long-term care insurance, including qualifying Partnership Policies, until that date. Presuming they are timely adopted, after July 1, 2009, it would be a violation of New Jersey law for a producer to sell, solicit or negotiate any long-term care insurance policy without having completed the initial training requirements set forth in the amendments intended to be proposed to N.J.A.C. 11:4-34.

The amendments to be proposed also will provide that the initial one time training course shall be no less than eight hours and the ongoing training shall be no less than four hours every 24 months. All of the training courses must be approved by the Department in accordance with N.J.A.C. 11:17-3. The training will cover the following topics: long-term care insurance, long-term care services, qualified Partnership insurance policies, and the relationship between partnership policies and other public and private coverage of long-term care.

The amendments to be proposed will further require insurers offering long-term care insurance products in New Jersey to obtain verification that the producers representing the insurer have received the required training. Records of such verification will be required to be maintained by long-term care insurers and made available to the Department upon request.

The satisfaction of these training requirements in any state will be deemed to satisfy the training requirements in New Jersey. These training requirements may be, but are not required to be, approved as continuing education courses pursuant to N.J.A.C. 11:17-3.6.

The Department is issuing this Bulletin at this time to advise insurers and producers providing or selling long term care insurance of these additional requirements to be proposed to facilitate their timely compliance therewith.

March 18, 2008
Date

/s/ Steven M. Goldman
Steven M. Goldman
Commissioner

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