**20:06:21:52.  Reporting requirements for insurers.** Each insurer must comply with the following reporting requirements for long-term care policies:

(1)  The insurer must maintain records for each agent of that agent's amount of replacement sales as a percent of the agent's total annual sales and the amount of lapses of long-term care insurance policies sold by the agent as a percent of the agent's total annual sales;

(2)  The insurer must report to the director annually by June 30 the ten percent of its agents with the greatest percentages of lapses and replacements as measured by subdivision (1) of this section (Appendix J);

(3)  The insurer must report to the director annually by June 30 the number of lapsed policies as a percent of its total annual sales and as a percent of its total number of policies in force as of the end of the preceding calendar year (Appendix J);

(4)  The insurer must report to the director annually by June 30 the number of replacement policies sold as a percent of its total annual sales and as a percent of its total number of policies in force as of the preceding calendar year (Appendix J); and

(5)  Every insurer shall report to the director annually by June 30, for qualified long-term care insurance contracts, the number of claims denied for each class of business, expressed as a percentage of claims denied (Appendix H).

No finding by the director of a violation of insurance laws may be based solely upon reported replacement and lapse rates.

For the purposes of this section, "policy" means only long-term care insurance, "claim" means a request for payment of benefits under an in force policy regardless of whether the benefit claimed is covered under the policy or any terms or conditions of the policy have been met, "denied" means the insurer refuses to pay a claim for any reason other than for claims not paid for failure to meet the waiting period or because of an applicable preexisting condition, and "report" means on a statewide basis.

**Source:** 23 SDR 55, effective October 20, 1996; 28 SDR 157, effective May 19, 2002.

**General Authority:** SDCL 58-17B-4.

**Law Implemented:** SDCL 58-17B-4.