1400 Health Insurance Specific Provisions

1408 Standards for Prompt, Fair and Equitable Settlement of Claims for Long-Term Care Insurance

1.0 Authority

This regulation is adopted by the Commissioner pursuant to 18 **Del.C.** §§311, 2304(16), and 2312 and 7107. It is promulgated in accordance with 29 **Del.C.** Ch. 101.

2.0 Scope

This regulation shall apply to all carriers as defined herein.

3.0 Definitions

The following words and terms, when used in this regulation, shall have the following meaning unless the context clearly indicates otherwise:

"Carrier" means any entity that provides long-term care insurance in this State. "Carrier" also includes any 3rd-party administrator or other entity that adjusts, administers or settles claims in connection with long-term care plans.

"Days" means calendar days.

"Institutional Provider" means a hospital, nursing home, or any other medical or health-related service facility caring for the sick or injured or providing care or other coverage which may be provided in a long-term care policy. An entity must be a Provider under this Regulation in order to be an Institutional Provider.

"Policyholder," "Insured," or **"Subscriber"** means a person covered under a long-term care insurance policy or a representative (other than a provider) designated by such person and entitled to make claims on his behalf.

"Provider" means any entity or individual licensed, certified, or otherwise permitted by law pursuant to Titles 16 or 24 of the **Delaware Code** to provide long-term care services**,** irrespective of whether the entity or the individual is a participating provider pursuant to a written agreement with the carrier. When used alone, the term "provider" shall include individual providers and institutional providers.

4.0 Prompt Payment of Clean Claims

4.1 "**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.

4.2 "**Clean Claim**" means a claim that has no defect or impropriety, including any lack of required substantiating documentation, such as satisfactory evidence of expenses incurred, or particular circumstances requiring special treatment that prevents timely payment from being made on the claim.

4.3 Within thirty (30) days after receipt of a claim for benefits under a long-term care insurance policy or certificate, an insurer shall pay such claim if it is a clean claim, or send written notice acknowledging the date of receipt of the claim and one of the following:

4.3.1 The insurer is declining to pay all or part of the claim and the specific reason(s) for denial; or

4.3.2 That additional information is necessary to determine if all or any part of the claim is payable and the specific additional information that is necessary.

4.4 Within thirty (30) days after the receipt of all the requested additional information, an insurer shall pay a claim for benefits under a long-term care insurance policy or certificate if it is a clean claim, or send a written notice that the insurer is declining to pay all or part of the claim, and the specific reason or reasons for denial.

4.5 If an insurer fails to comply with 4.3 or 4.4, such an insurer shall pay interest at the rate of 1% per month on the amount of the claim that should have been paid but that remains unpaid after forty-five