

**NOTICE OF PROTECTION
PROVIDED BY [STATE] LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION**

This notice provides a **brief summary** of the [STATE] Life and Health Insurance Guaranty Association (~~the~~ Association) and the protection it provides for policyholders. This safety net was created under [STATE] law, which determines who and what is covered and the amounts of coverage.

The Association was established to provide protection in the unlikely event that your life, annuity or health insurance company becomes financially unable to meet its obligations and is taken over by its ~~I~~insurance ~~D~~department. If this should happen, the Association will typically arrange to continue coverage and pay claims, in accordance with [STATE] law, with funding from assessments paid by other insurance companies. (For purposes of this notice, the terms “insurance company” and “insurer” include health maintenance organizations (HMOs).)

The basic protections provided by the Association are:

- Life Insurance
 - [\$ __,000] in death benefits
 - [\$ __,000] in cash surrender and withdrawal values
- Health Insurance
 - [\$ __,000] ~~in hospital, medical and surgical insurance benefits~~ for health benefit plans (see definition below)
 - [\$ __,000] in disability [income] insurance benefits
 - [\$ __,000] in long-term care insurance benefits
 - [\$ __,000] in other types of health insurance benefits
- Annuities
 - [\$ __,000] in ~~withdrawal and cash values~~ the present value of annuity benefits, including net cash surrender and net cash withdrawal values

The maximum amount of protection for each individual, regardless of the number of policies or contracts, is [\$ __,000]. Special rules may apply with regard to ~~hospital, medical and surgical insurance benefits~~ health benefit plans.

“Health benefit plan” is defined in [insert citation to applicable guaranty association statute] ~~CITATION TO APPLICABLE GUARANTY ASSOCIATION STATUTE~~ and generally includes hospital or medical expense policies, contracts or certificates, or HMO subscriber contracts that provide comprehensive forms of coverage for hospitalization or medical services, but excludes policies that provide coverages for limited benefits (such as dental-only or vision-only insurance), Medicare Supplement insurance, disability income insurance and long-term care insurance (LTCI).

Note: Certain policies and contracts may not be covered or fully covered. For example, coverage does not extend to any portion(s) of a policy or contract that the insurer does not guarantee, such as certain investment additions to the account value of a variable life insurance policy or a variable annuity contract. There are also various residency requirements and other limitations under [STATE] law.

Benefits provided by a long-term care (LTC) rider to a life insurance policy or annuity contract shall be considered the same type of benefits as the base life insurance policy or annuity contract to which it relates.

To learn more about the above protections, [as well as protections relating to group contracts or retirement plans,] please visit the Association’s website at [www. _____], or contact:

[STATE] Life and Health Insurance Guaranty Association
[ADDRESS]
[PHONE NUMBER]

[STATE] Department of Insurance
[ADDRESS]
[PHONE NUMBER]

Insurance companies and agents are not allowed by [STATE] law to use the existence of the Association or its coverage to encourage you to purchase any form of insurance or HMO coverage. When selecting an insurance company, you should not rely on Association coverage. If there is any inconsistency between this notice and [STATE] law, then [STATE] law will control.

Chronological Summary of Action (All references are to the Proceedings of the NAIC)

2010 Proc. 1st Quarter, Vol. I 105, 129, 134, 297 (adopted).

June 18, 2015 Ex/Plenary Conference Call (technical correction)

PROJECT HISTORY

NOTICE OF PROTECTION PROVIDED BY [STATE] LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION GUIDELINE

1. Description of the Project, Issues Addressed, etc.

The Executive (EX) Committee and Plenary adopted amendments to the *Life and Health Insurance Guaranty Association Model Act* (#520) on Dec. 21, 2017, that address assessments for long-term care insurance (LTCI) insolvencies, the addition of health maintenance organizations (HMOs) as members of the guaranty association, and certain guaranty association coverages and limitations.

On Aug. 5, 2018, the Receivership and Insolvency (E) Task Force received a request from the American Council of Life Insurers (ACLI) for proposed revisions to the *Notice of Protection Provided by [State] Life and Health Insurance Guaranty Association* (#1525) to incorporate changes that conform to the adopted revisions to Model #520. The revisions to Guideline #1525 include references to HMOs, health benefit plans and LTCI riders.

2. Name of Group Responsible for Drafting the Guideline and States Participating

The Receivership and Insolvency (E) Task Force is responsible for Guideline #1525. The 2018 members of the Task Force are: New Jersey (Chair); District of Columbia (Co-Vice Chair), Texas (Co-Vice Chair), Alaska, American Samoa, Arkansas, California, Colorado, Connecticut, Florida, Hawaii, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Missouri, Montana, Nebraska, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Utah, Virginia, Washington, Wisconsin and Wyoming.

The amendments to Guideline #1525 were drafted jointly by the ACLI, the National Organization of Life and Health Guaranty Associations (NOLHGA) and certain health insurers.

3. Project Authorized by What Charge and Date First Given to the Group

The Receivership and Insolvency (E) Task Force is charged with addressing any issues that affect receivership laws, including amendments to models and guidelines. The request to amend Guideline #1525 was first considered by the Task Force on Aug. 5, 2018.

4. A General Description of the Drafting Process and Due Process

The Receivership and Insolvency (E) Task Force discussed the proposal on Aug. 5, 2018, at the NAIC Summer National Meeting. The Task Force exposed the proposed amendments for a 30-day public comment period ending Sept. 5, 2018. No comments were received. The Task Force adopted the amendments on Oct. 1, 2018.

The Financial Condition (E) Committee adopted the amendments on October 31, 2018.

5. A Discussion of the Significant Issues

None.

6. Any Other Important Information

None.