

## Individual Short Term Recovery Care Checklist

### Use this checklist:

- When reviewing individual health insurance products or policies.
- To ensure the product or policy meets requirements as listed in the Texas Insurance Code (TIC), the Texas Administrative Code (TAC), department guidelines, and other laws.
- To enter the page number or reference location in the "Page" field.

### Policy Face Page

Page \_\_\_\_\_ : Renewability provision must be on first page in no less than 10-point type. All limitations on renewability must be clearly stated and consistent with standards at [28 TAC Section 3.3050\(b\)](#), [TIC Section 1210.001](#), and [28 TAC Section 3.3050](#)

Page \_\_\_\_\_ : Notification that policy is returnable; effect of return or 10-day right to examine - [TIC Section 1201.058](#)

### Readability

Page \_\_\_\_\_ : Policy readability generally - [28 TAC Section 3.3100](#)

Page \_\_\_\_\_ : Organization of policy format for readability - [28 TAC Section 3.3101](#)

Page \_\_\_\_\_ : Language readability - [28 TAC Section 3.3102](#)

Page \_\_\_\_\_ : Overall appearance - [TIC Section 1201.054](#)

### Form Numbers

Page \_\_\_\_\_ : Form specifications - [TIC Section 1201.056](#), and [28 TAC Section 3.4 \(c\)\(2\)\(A\) and \(B\)](#)

### Effective Dates

Page \_\_\_\_\_ : Individual policy must show time insurance takes effect and terminates - [TIC Section 1201.052](#)

### Table of Contents

Page \_\_\_\_\_ : A table of contents may be used - [28 TAC Section 3.3101\(k\)](#)

### If Policy is Issued to Someone 65 or Older

Page \_\_\_\_\_ : Company must submit disclosure statement required under federal law regarding the Medicare program - [28 TAC Section 3.3603](#)

## Outline of Coverage

Page \_\_\_\_\_ : Each outline of coverage shall contain the appropriate text and be in the appropriate format - [TIC Section 1201.108\(c\)](#), and [28 TAC Section 3.3090](#) and [3.3092](#)

Page \_\_\_\_\_ : Notice indicating policies are not Medicare Supplement policies - [28 TAC Section 3.3603](#) and [3.3614](#)

## Definitions

This definition section provides a reference to general terms that may be included in a form filing. The section is not intended to limit or require the inclusion of certain terms in a form filing. A form filing containing any of the referenced terms shall not define the terms more restrictively than the referenced statute or rule.

**Note:** While [28 TAC Chapter 3, Subchapter Y](#), does not generally apply, the definitions below that cite [28 TAC Section 3.3804](#) may apply to a short-term care policy, which may serve as a substitute for or a complement to a long-term care policy. The use of inconsistent definitions between such policies would be misleading; therefore, consistent with [TIC Section 1701.055](#), any filing using a term defined in [28 TAC Section 3.3804](#) shall not define the term in a manner that is inconsistent with the definition provided in that rule.

Page \_\_\_\_\_ : Activities of daily living - [28 TAC Section 3.3804\(b\)\(1\)](#)

Page \_\_\_\_\_ : Acute condition - [28 TAC Section 3.3804\(b\)\(2\)](#)

Page \_\_\_\_\_ : Adult day care - [28 TAC Section 3.3804\(b\)\(3\)](#)

Page \_\_\_\_\_ : Adult day care facility - [28 TAC Section 3.3804\(b\)\(4\)](#)

Page \_\_\_\_\_ : Applicant - [TIC Section 1651.054\(a\)](#), and [28 TAC Section 3.3804\(b\)\(5\)](#)

Page \_\_\_\_\_ : Bathing - [28 TAC Section 3.3804\(b\)\(7\)](#)

Page \_\_\_\_\_ : Care - [28 TAC Section 3.3804\(b\)\(8\)](#)

Page \_\_\_\_\_ : Certificate - [TIC Section 1651.001\(a\)\(3\)](#), and [28 TAC Section 3.3804\(b\)\(9\)](#)

Page \_\_\_\_\_ : Continence - [28 TAC Section 3.3804\(b\)\(10\)](#)

Page \_\_\_\_\_ : Custodial parent (Medical and Dental Child Support) - [TIC Section 1504.001\(3\)](#)

Page \_\_\_\_\_ : Dressing - [28 TAC Section 3.3804\(b\)\(11\)](#)

Page \_\_\_\_\_ : Eating - [28 TAC Section 3.3804\(b\)\(12\)](#)

Page \_\_\_\_\_ : Genetic information - [TIC Section 546.001\(3\)](#)

Page \_\_\_\_\_ : Genetic test - [TIC Section 546.001\(4\)](#)

Page \_\_\_\_\_ : Home health agency - [28 TAC Section 3.3804\(b\)\(15\)](#)

Page \_\_\_\_\_ : Home health care services - [28 TAC Section 3.3804\(b\)\(16\)](#)

Page \_\_\_\_\_ : Hospital - [28 TAC Section 3.3006](#)

Page \_\_\_\_\_ : Maintenance or personal care services - [28 TAC Section 3.3804\(b\)\(22\)](#)

Page \_\_\_\_\_ : Medicare - [28 TAC Section 3.3804\(b\)\(23\)](#)

Page \_\_\_\_\_ : Mental or nervous disorder - [28 TAC Section 3.3804\(b\)\(24\)](#)

Page \_\_\_\_\_ : Physician - [TIC Section 1451.001\(15\)](#), and [28 TAC Section 3.3010](#)

Page \_\_\_\_\_ : Policy - [28 TAC Section 3.3804\(b\)\(25\)](#)

Page \_\_\_\_\_ : Pre-existing condition - [28 TAC Section 3.3018](#)

Page \_\_\_\_\_ : Toileting - [28 TAC Section 3.3804\(b\)\(31\)](#)

Page \_\_\_\_\_ : Transferring - [28 TAC Section 3.3804\(b\)\(32\)](#)

## **Eligibility for Coverage**

Page \_\_\_\_\_ : A policy must specify qualifications of who may become insured initially or by subsequent addition - [TIC Section 1201.053](#), and [28 TAC Section 3.3051](#)

Page \_\_\_\_\_ : A policy must specify eligibility for receiving short-term recovery care benefits/services. If conditioned upon the inability to perform activities of daily living (ADLs), the policy must set forth the qualifying ADLs, which must include at a minimum those set forth in [28 TAC Section 3.3804](#).

If conditioned upon the impairment of cognitive ability, the term must not be defined more restrictively than the deterioration or loss in intellectual capacity requiring substantial supervision for protection of self or others, as established by the clinical diagnosis of any licensed practitioner in this state authorized to make such a diagnosis - [TIC Section 1701.055](#)

## **Renewability**

Page \_\_\_\_\_ : The term "guaranteed renewability" may be used only when the policyholder has the right to continue the short-term care insurance in force by the timely payment of premiums and when the insurer has no unilateral right to make any change in any provision of the policy or rider while the insurance is in force and cannot decline to renew, except that rates may be revised by the insurer on a class basis - [TIC Section 1701.055](#), and [28 TAC Section 3.3050](#)

Page \_\_\_\_\_ : The policyholder retains the right to cancel the short-term care insurance contract with the required notice of cancellation, as outlined in the contract. Upon such cancellation by

the policyholder, the insurer must return any unearned premium to the policyholder - [TIC Section 1701.055](#)

Page \_\_\_\_\_ : If premiums can be increased upon renewal, a provision must clearly state this at the top of the first page - [28 TAC Section 3.3050\(a\)\(2\)](#)

## **Required Disclosures - Policy Provisions**

Page \_\_\_\_\_ : All riders or endorsements added to a short-term recovery care policy after the date of issue, except those by which the insurer effectuates a request made in writing by the policyholder or exercises a specifically reserved right under the policy or those which increase benefits, must require a signed acceptance by the policyholder - [28 TAC Section 3.3040\(b\)](#)

Page \_\_\_\_\_ : Requirements for a properly captioned claim denial provision in policy - [TIC Section 1701.055](#)

Page \_\_\_\_\_ : If eligibility for benefits is based on activities of daily living and/or cognitive impairment requirements, describe the benefit levels payable for the coverage - [TIC Section 1701.055](#)

Page \_\_\_\_\_ : Include provision disclosing that notice will be given 45 days in advance of premium increases - [TIC Section 1701.055](#)

Page \_\_\_\_\_ : The short-term recovery care policy must include a provision that provides for reinstatement of coverage, in the event of lapse if the insurer is provided proof of impairment of cognitive ability or the loss of functional capacity - [TIC Section 1701.055](#)

Page \_\_\_\_\_ : Notice of inflation protection - prominently disclose whether the policy includes inflation protection, and include a notice that explains the extent to which the coverage will be sufficient relative to the costs incurred for the covered benefits - [TIC Section 1701.055](#)

### **For example:**

A notice for buyers with inflation protection may read: "This policy may not cover all of the costs associated with short-term recovery care incurred by the policyholder during the period of coverage. The policyholder is advised to carefully review all policy limitations."

A notice for buyers without inflation protection may read: "This policy may not cover all costs associated with short-term recovery care incurred by the policyholder during the period of coverage. The policyholder is advised to carefully review all policy limitations. In addition, the policyholder is advised that based on current health care cost trends, the benefits provided by this policy may be significantly diminished in terms of real value to the policyholder, depending on the amount of time which elapses between the date of purchase and the date upon which the policyholder first becomes eligible for those benefits."

## Provider Standards

Page \_\_\_\_\_ : Policy standards for providers (must be operated pursuant to state or federal law) - [28 TAC Section 3.3007](#), [3.3010](#), and [3.3011](#)

## Dependent Eligibility

This eligibility section provides reference to eligible dependents. A policy must specify qualifications of who may become insured initially or subsequently as referenced in [TIC Section 1201.053](#). In addition, the referenced dependents shall not be defined more restrictively than referenced in the applicable statute or rule.

## General Requirements:

- Requiring that the child reside with the insured shall not be permitted.
- Requiring the child to be "chiefly dependent" on the insured shall not be permitted.
- May not condition coverage for a child younger than 25 years of age on the child's being enrolled in an educational institution.

Page \_\_\_\_\_ : Adopted children - [TIC Section 1201.061](#)

Page \_\_\_\_\_ : Dependent - [TIC Section 1201.053\(b\)](#)

Page \_\_\_\_\_ : Handicapped child - [TIC Section 1201.059](#)

Page \_\_\_\_\_ : Medical and dental support ordered child - [TIC Section 1201.062](#), [1201.063](#), and [Chapter 1504](#), and [28 TAC Section 21.2001 - 21.2011](#)

Page \_\_\_\_\_ : Custodial parent (Medical and Dental Child Support) - [TIC Section 1504.001\(3\)](#)

Page \_\_\_\_\_ : Newborn - [TIC Section 1367.003](#), and [28 TAC Section 3.3401 - 3.3403](#)

Page \_\_\_\_\_ : Stepchild - [TIC Section 1201.064](#)

Page \_\_\_\_\_ : Grandchildren - [TIC Section 1201.062](#)

Page \_\_\_\_\_ : Spouse - [TIC Section 1201.053\(b\)](#)

Page \_\_\_\_\_ : Student - [TIC Section 1503.003](#)

## Exclusions and Limitations

Page \_\_\_\_\_ : Limitations must be clear and specific - [TIC Section 1201.055](#), and [28 TAC Section 3.3056](#) and [3.3057\(c\)](#) and [Exhibit A](#)

Page \_\_\_\_\_ : Exceptions, exclusions, and reductions must be clearly expressed as a part of the benefit provision, or set forth as a separate provision and appropriately captioned - [TIC Section 1201.055](#), and [28 TAC Section 3.3057\(c\)](#)

Page \_\_\_\_\_ : Illegal occupation, as set forth in statute - [TIC Section 1201.226](#)

Page \_\_\_\_\_ : Military service - clearly state if policy excludes or suspends coverage for military service, or if premiums are reduced or refunded - [28 TAC Section 3.3057\(e\)](#)

Page \_\_\_\_\_ : Elimination periods must be clearly expressed - [28 TAC Section 3.3058](#)

Page \_\_\_\_\_ : Provisions relating to recurrent disabilities may not specify a separation between disabilities of more than six months - [28 TAC Section 3.3059](#)

Page \_\_\_\_\_ : Conversion provision must indicate persons eligible for conversion, and applicable circumstances, including any limitations - [28 TAC Section 3.3060](#)

**Cannot limit or exclude by type of illness, treatment, medical condition, accident, or cause, except for the following:**

Page \_\_\_\_\_ : Mental or nervous disorders without demonstrable organic disease; must include coverage for Alzheimer's disease and related disorders - [TIC Section 1701.055](#) and [Exhibit A](#)

Page \_\_\_\_\_ : Alcoholism and drug addiction - [28 TAC Section 3.3057](#) and [Exhibit A](#)

Page \_\_\_\_\_ : Illness, treatment, or medical condition arising from war or act of war - [28 TAC Section 3.3057](#) and [Exhibit A](#)

Page \_\_\_\_\_ : Illness, treatment, or medical condition arising from participation in a felony, riot, or insurrection - [28 TAC Section 3.3057](#) and [Exhibit A](#)

Page \_\_\_\_\_ : Illness, treatment, or medical condition arising from service in the armed forces - [28 TAC Section 3.3057](#) and [Exhibit A](#)

Page \_\_\_\_\_ : Illness, treatment, or medical condition arising from suicide, self-inflicted injury - [28 TAC Section 3.3057](#) and [Exhibit A](#)

Page \_\_\_\_\_ : Benefits under Medicare or other governmental program (except Medicaid), worker's compensation, employer's liability, occupational disease law, motor vehicle no-fault law, services performed by a family member, or for which there is normally no charge - [28 TAC Section 3.3057](#) and [Exhibit A](#)

**Cannot include limits or exclusions related to:**

Page \_\_\_\_\_ : Aircraft travel - [28 TAC Section 3.3057](#) and [Exhibit A](#)

Page \_\_\_\_\_ : Veterans facilities for treatment of veterans - [28 TAC Section 3.3057](#) and [Exhibit A](#)

Page \_\_\_\_\_ : Motorcycle use, racing contests, professional athletics, hazardous occupation or avocations - [28 TAC Section 3.3057](#) and [Exhibit A](#)

Page \_\_\_\_\_ : Hernia - [28 TAC Section 3.3057](#) and [Exhibit A](#)

Page \_\_\_\_\_ : Territorial limitations (i.e., services are provided in a state other than state of issue) - [28 TAC Section 3.3057](#) and [Exhibit A](#)

## **Pre-Existing Conditions**

Page \_\_\_\_\_ : Must clearly disclose applicability or non-applicability of coverage to pre-existing condition limitations - [28 TAC Section 3.3054\(a\)](#)

Page \_\_\_\_\_ : If simplified application is used (defined in [28 TAC Section 3.3002](#)), losses due to pre-existing conditions (not excluded from coverage) must be covered after twelve months - [TIC Section 1201.152](#) and [1201.153](#), and [28 TAC Section 3.3054\(b\)\(1\)](#)

Page \_\_\_\_\_ : A policy issued to a person 65 or older may not limit the coverage of a pre-existing condition for more than six months - [TIC Section 1201.153\(a\)](#), and [28 TAC Section 3.3054\(b\)\(2\)](#)

## **Continuation of Coverage**

Page \_\_\_\_\_ : If a person loses coverage because marital status changed, that person shall be issued a policy that the insurer is then issuing which most nearly approximates the original coverage, without evidence of insurability - [28 TAC Section 21.407](#)

## **Individual Required Policy Provisions**

The policy shall contain the following provisions; however, the insurer may substitute different wording that is not less favorable to the insured. If any provision of this section is in whole or in part inapplicable to or inconsistent with the coverage provided by a particular form of policy, the insurer shall omit or modify that provision.

Page \_\_\_\_\_ : Entirety of contract, policy changes - [TIC Section 1201.207](#)

Page \_\_\_\_\_ : Incontestability - time limit on certain defenses - [TIC Section 1201.208](#)

Page \_\_\_\_\_ : Grace period - [TIC Section 1201.209](#)

Page \_\_\_\_\_ : Reinstatement - [TIC Section 1201.210](#)

Page \_\_\_\_\_ : Notice of claim - [TIC Section 1201.211](#)

Page \_\_\_\_\_ : Claim forms - [TIC Section 1201.212](#)

Page \_\_\_\_\_ : Proof of loss - [TIC Section 1201.213](#)

Page \_\_\_\_\_ : Time of payment of claims - [TIC Section 1201.214](#)

Page \_\_\_\_\_ : Payment of claims - [TIC Section 1201.215](#)

Page \_\_\_\_\_ : Physical examinations and autopsy - [TIC Section 1201.216](#)

Page \_\_\_\_\_ : Legal actions - [TIC Section 1201.217](#)

Page \_\_\_\_\_ : Change of beneficiary - [TIC Section 1201.218](#)

Page \_\_\_\_\_ : Entire money and other consideration - [TIC Section 1201.051](#)

Page \_\_\_\_\_ : Effective date and time - [TIC Section 1201.052](#)

Page \_\_\_\_\_ : Persons insured - [TIC Section 1201.053](#)

Page \_\_\_\_\_ : Overall appearance - [TIC Section 1201.054](#)

Page \_\_\_\_\_ : Exclusions, limitations, reductions - [TIC Section 1201.055](#)

Page \_\_\_\_\_ : Provision applicable to charter, bylaws, rules, etc. - [TIC Section 1201.057](#)

Page \_\_\_\_\_ : Order of certain policy provisions [TIC Section 1201.201](#) and [1201.202](#)

Page \_\_\_\_\_ : Requirements of other jurisdictions - [TIC Section 1201.204](#)

## **Other Provisions**

Page \_\_\_\_\_ : Change of occupation - [TIC Section 1201.219](#)

Page \_\_\_\_\_ : Misstatement of age - [TIC Section 1201.220](#)

Page \_\_\_\_\_ : Excess insurance - other insurance with this insurer - [TIC Section 1201.221](#)

Page \_\_\_\_\_ : Relation of earnings to insurance - [TIC Section 1201.222](#)

Page \_\_\_\_\_ : Unpaid premium - [TIC Section 1201.223](#)

Page \_\_\_\_\_ : Cancellation - [TIC Section 1201.224](#)

Page \_\_\_\_\_ : Conformity with state statutes - [TIC Section 1201.225](#)

Page \_\_\_\_\_ : If medical expense coverage, repayment of the actual costs of medical expenses the Texas Health and Human Services Commission pays through medical assistance for an insured person - [TIC Section 1204.151 - 1204.152](#)

Page \_\_\_\_\_ : Benefits paid to the Texas Health and Human Services Commission on behalf of child [TIC Section 1204.153](#), [28 TAC Section 3.3039](#), and [Government Code Section 531.0011\(b\)](#)

Page \_\_\_\_\_ : Third party ownership - [TIC Section 1201.010](#)

Page \_\_\_\_\_ : Filing procedure - [TIC Section 1201.206](#)

## Miscellaneous Provisions

Page \_\_\_\_\_ : Illegal pricing practices - [TIC Chapter 552](#)

Page \_\_\_\_\_ : Discretionary clauses prohibited - [TIC Section 1701.062](#), and [28 TAC Section 3.1202](#) and [3.1203](#)

## Termination of Insurance

Page \_\_\_\_\_ : A family policy shall specify the age or event under which coverage terminates for each insured - [28 TAC Section 3.3052\(a\)](#)

Page \_\_\_\_\_ : Bases for non-renewing dependent's coverage may include (1) termination of spouse's coverage due to dissolution of marriage subject to other applicable rules and laws and (2) termination of dependent coverage upon attainment of limiting age - [28 TAC Section 3.3052\(b\)](#)

Page \_\_\_\_\_ : A noncancellable and guaranteed renewable or guaranteed renewable policy must continue to provide coverage for spouse after primary insured dies or reaches limiting age - [28 TAC Section 3.3052\(c\)](#)

Page \_\_\_\_\_ : Coverage for premium period with limitation for age or date; misstatement of age - [TIC Section 1201.011](#), and [28 TAC Section 3.3052\(d\)](#)

Page \_\_\_\_\_ : Extension of benefits beyond termination - [28 TAC Section 3.3052\(f\)](#)

Page \_\_\_\_\_ : Cannot terminate dependent child at limiting age if that child is incapable of self-sustaining employment due to mental retardation or physical handicap and chiefly dependent upon insured for support and maintenance - [TIC Section 1201.059](#), and [28 TAC Section 3.3052\(h\)](#)

Page \_\_\_\_\_ : Policy cannot be cancelled because covered person has been diagnosed with or has been/is being treated for AIDS or HIV - [TIC Section 1202.052](#)

## Marketing Requirements

Page \_\_\_\_\_ : Prohibited marketing practices - [TIC Section 1701.055](#)

## Rates/Actuarial

Page \_\_\_\_\_ : Rates must be filed for review - [28 TAC Section 3.4\(q\)\(5\)](#)

Page \_\_\_\_\_ : Notice of rate increase, 45 days - [TIC Section 1701.055](#)

## Electronic Communication - [TIC Section 35.004\(c\)\(1\) and \(2\)](#) and [Section 35.0041](#)

Page \_\_\_\_\_ : Electronic communications - Allows issuers to conduct business electronically by (1) seeking out affirmative consent prior; or (2) the issuer provides notice of intent conduct

business electronically and the party does not opt out. Further describes either method is subject to disclosure requirements set out in [TIC Section 35.004](#). In addition, (1) the party must have a right to withdraw consent; or (2) in the case affirmative consent was not obtained, the party requests written communication be delivered in nonelectronic form. [TIC Section 35.003](#)