

**Massachusetts Division of Insurance
Hospital Indemnity Insurance
For the Period between 2008 and 2010**

Joseph G. Murphy
Commissioner of Insurance

Acknowledgement

The enclosed report was prepared by the Health Care Access Bureau and Policy Form Review staff of the Massachusetts Division of Insurance (“Division”) in order to examine the current state of hospital indemnity insurance (“HI”) in the Commonwealth of Massachusetts as of the end of 2010, including the relative number of persons covered through individual or group plans.

In this report, individual coverage refers to policies written by an insurance company to an individual policyholder. Group coverage in this report represents coverage written by an insurance company for an employment-based policy, as well as coverage written through a non-employment based group association or group trust.

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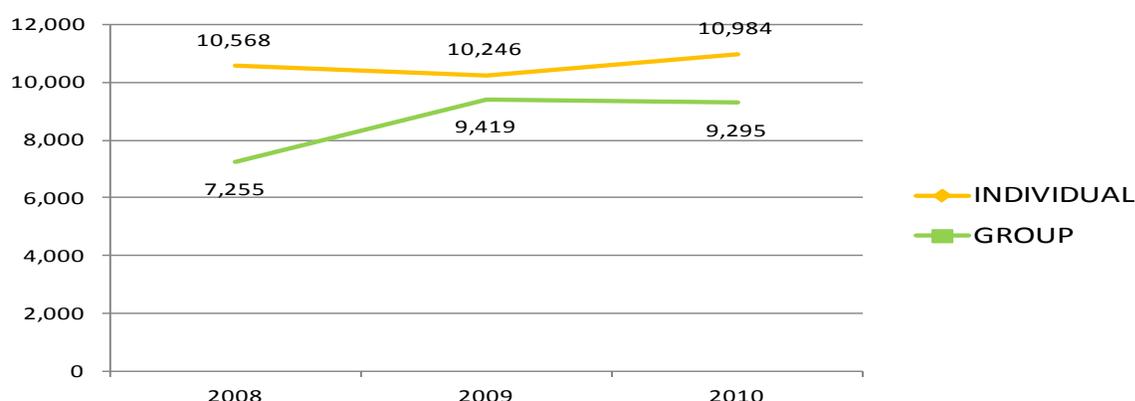
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I. EXECUTIVE SUMMARY

A. Report Material

- As of December 31, 2010, there were **20,279** Massachusetts¹ persons covered in hospital indemnity (“HI”) policies; this is an increase from the **17,823** persons covered as of December 31, 2008.
- In 2010, forty-six (46) percent of Massachusetts persons covered in HI plans were covered in group plans.
- According to company reports, those buying coverage on an individual basis tend to: (1) be older; and (2) buy less rich plans than those buying coverage on a group basis.

Year End Massachusetts Enrollment in Hospital Indemnity Plans



B. Summary of Massachusetts Covered Lives

Number of Insureds	<u>2008</u>	<u>2009</u>	<u>2010</u>
<i>Individual² Market</i>	10,568	10,246	10,984
<i>Group³ Market</i>	7,255	9,419	9,295
<i>Total</i>	17,823	19,665	20,279
Average Annual Premium for Plans Sold in Particular Year⁴	<u>2008</u>	<u>2009</u>	<u>2010</u>
<i>Individual Market</i>	\$264	\$274	\$271
<i>Group Market</i>	\$1,004	\$1,971	\$1,776
Average Age of Massachusetts Insureds	<u>2008</u>	<u>2009</u>	<u>2010</u>
<i>Individual Market</i>	52.7	51.9	51.3
<i>Group Market</i>	44.4	44.3	44.4

¹ Number of Massachusetts residents covered under individual or group coverage.

² In this report, the term “individual,” unless specified otherwise, refers to policies written by an insurance company to an individual policyholder.

³ In this report, the term “group,” unless specified otherwise, refers to individual certificateholders in policies written by an insurance company to an employment-based group, as well as coverage written through a non-employment based group association or group trust.

⁴ Average annual premium in the “group” market represents the total annual premium, including both the employer and employee contribution to the premium paid to the insurance company providing the coverage.

Individually Written Plans

- The number of Individual HI policyholders *increased* by 416 (3.9%) from 10,568 in 2008 to 10,984 in 2010.
- The average age of individual HI policyholders *decreased* from 52.7 in 2008 to 51.3 in 2010.
- The average annual individual HI premium *increased* from \$264 in 2008 to \$271 in 2010.

Group Coverage Written Through Employment-Based Plans

- The number of Group HI certificateholders *increased* by 2,040 (28.1%) from 7,255 in 2008 to 9,295 in 2010.
- The average age of group HI certificateholders *remained at* 44.4 in 2008 and 44.4 in 2010.
- The average annual group HI premium *increased* from \$1,004 in 2008 to \$1,776 in 2010.

II. OVERVIEW

Millions of Americans are hospitalized each year, and the length of hospitalization can vary depending on the nature and severity of a person's condition. For those who are admitted to a hospital, health insurance may cover certain medical costs, but it may not be enough to cover the variety of costs, medical or non-medical, that may not be covered by a health plan when a covered person is in a hospital.

Hospital Indemnity (HI) coverage, also known as hospital confinement insurance, provides a fixed-dollar cash benefit to the covered person for each day that person is hospitalized; as an indemnity benefit, it is paid to the policyholder or certificateholder and may or may not be used for treatment costs. The coverage amount may vary depending on whether the insured is admitted to an intensive care or cardiac care unit or skilled nursing facility, and can be paid for a fixed period of time or for the duration of the stay. When selecting coverage, the insured chooses among plans based on the following product features:

- level of coverage (*e.g.*, levels of fixed-dollar benefit amounts);
- duration of coverage (*e.g.*, number of days); and
- length of elimination or waiting periods before benefits begin.

Policies may contain limitations or exclusions of coverage based upon prior hospitalizations or pre-existing conditions. Carriers also may underwrite policies and turn down applicants who do not meet the underwriting criteria.

The Division has conducted an examination of the market for HI coverage to understand the products that insureds buy in Massachusetts and nationally in the individual and group markets. The examination also considers how carriers offer products, and trends in the industry, so the Division may be aware of market conditions in the event that further regulation may be appropriate in the future.

III. PERSONS COVERED BY HOSPITAL INDEMNITY INSURANCE

F. Massachusetts

As of December 31, 2010, **20,279** Massachusetts residents were enrolled in HI plans: **10,984** (54%) covered in individual HI plans and **9,295** (46%) covered through group HI plans. The number of persons with HI coverage increased by **2,456** (14%) from the **17,823** Massachusetts persons who had HI coverage on December 31, 2008. The number of Massachusetts residents in both individual and group HI plans on December 31, 2010 is just 0.3% of the total Massachusetts population of 6,631,280.

Massachusetts HI Membership

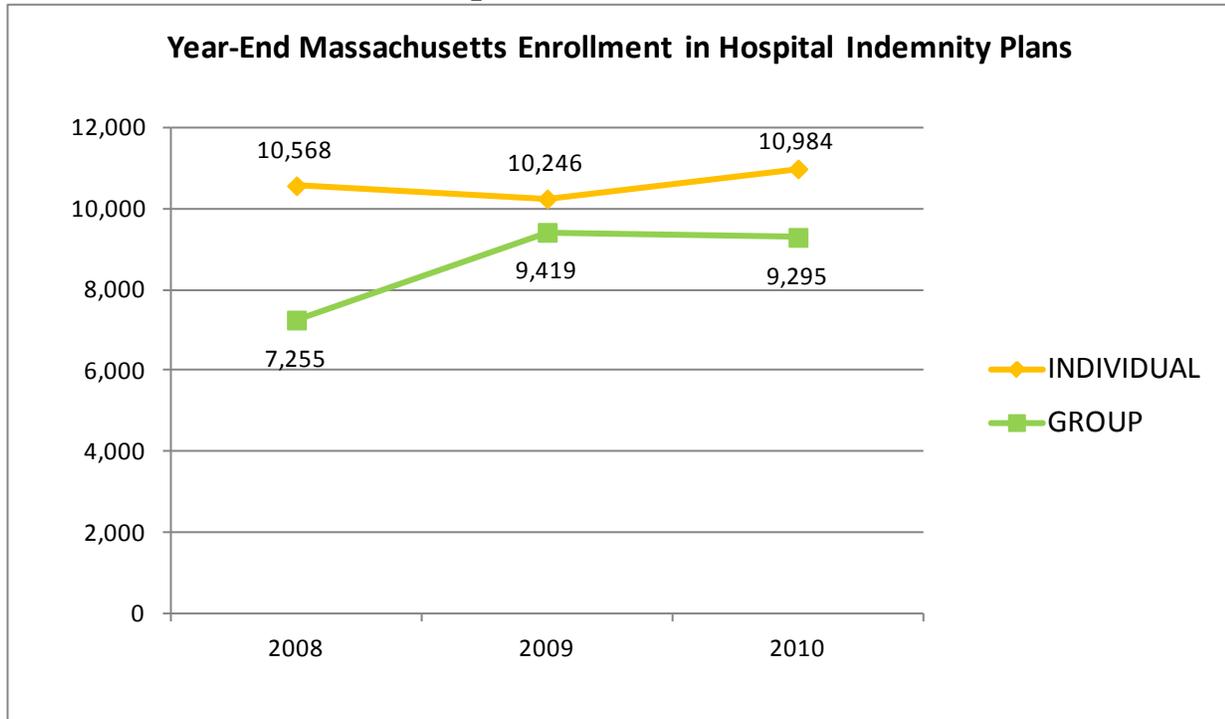


Exhibit 1

In 2010, companies collected **\$3.9 million** in Massachusetts-based HI premium revenue – **\$2.9 million** (74%) from individual policies and **\$1.0 million** (26%) from group coverage.

Massachusetts HI Premium (in millions of dollars)

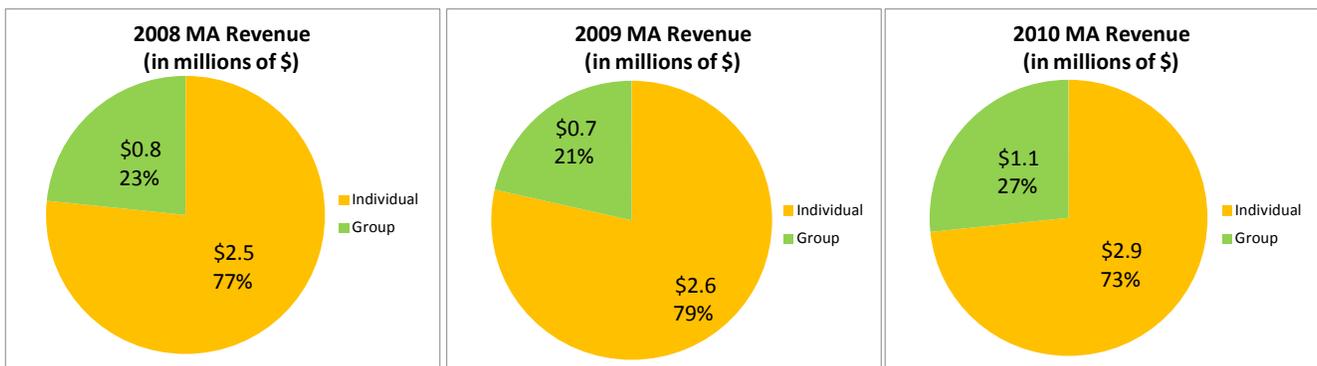


Exhibit 2

B. National⁵

As of December 31, 2010, **2,379,166** residents nationally were enrolled in HI plans – **1,835,892** persons (77%) with individual HI coverage and **543,274** (23%) with group HI coverage. Nationally, the number of persons with HI coverage increased by **206,348** or 9% from the **2,172,818** persons with HI coverage on December 31, 2008.

National HI Membership

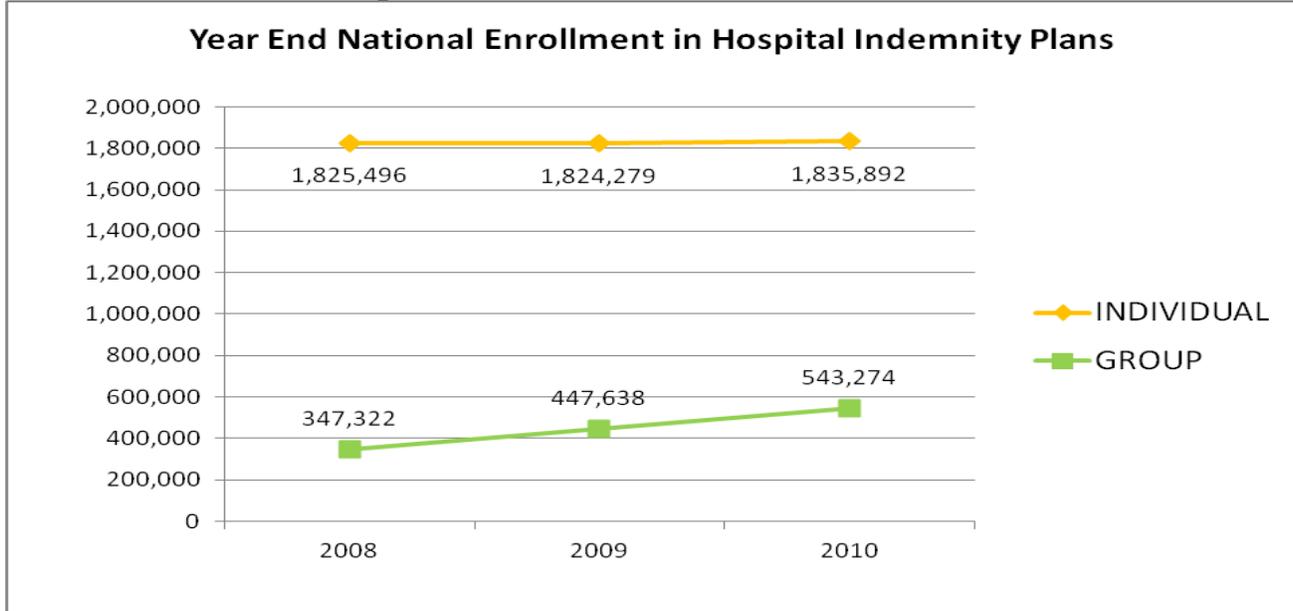


Exhibit 3

Nationally, in 2010, HI companies collected over **\$899 million** in premium revenue – **\$746 million** (83%) from individual policies and **\$153 million** (17%) from group coverage.

National HI Premium (in millions of dollars)

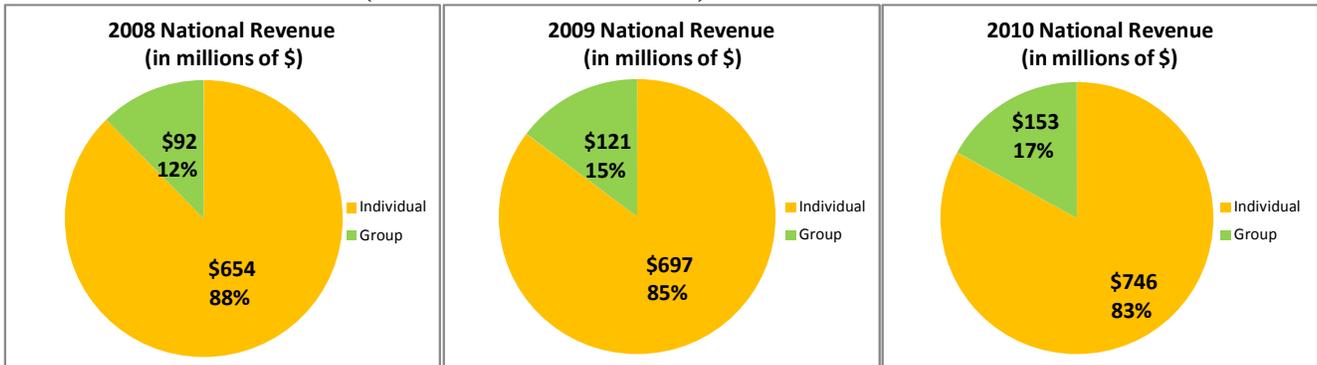


Exhibit 4

⁵ National membership statistics represent the national membership of carriers that are licensed in Massachusetts and currently market hospital indemnity products or have closed blocks of business in the hospital indemnity market. The national membership statistics do not represent the total hospital indemnity membership in the entire country because they do not include those carriers that are not licensed in Massachusetts.

IV. COVERAGE IN INDIVIDUAL PLANS

A. Average Age of Individual Hospital Indemnity Policyholders

For individual HI plans, the average age of Massachusetts and national policyholders differ.

- The average age of Massachusetts persons with HI plans was **52.7** in 2008⁶ and **51.3** in 2010⁷.
- Nationally, the average age of HI policyholders was **46.0** in 2008⁸ and **46.8** in 2010⁹.

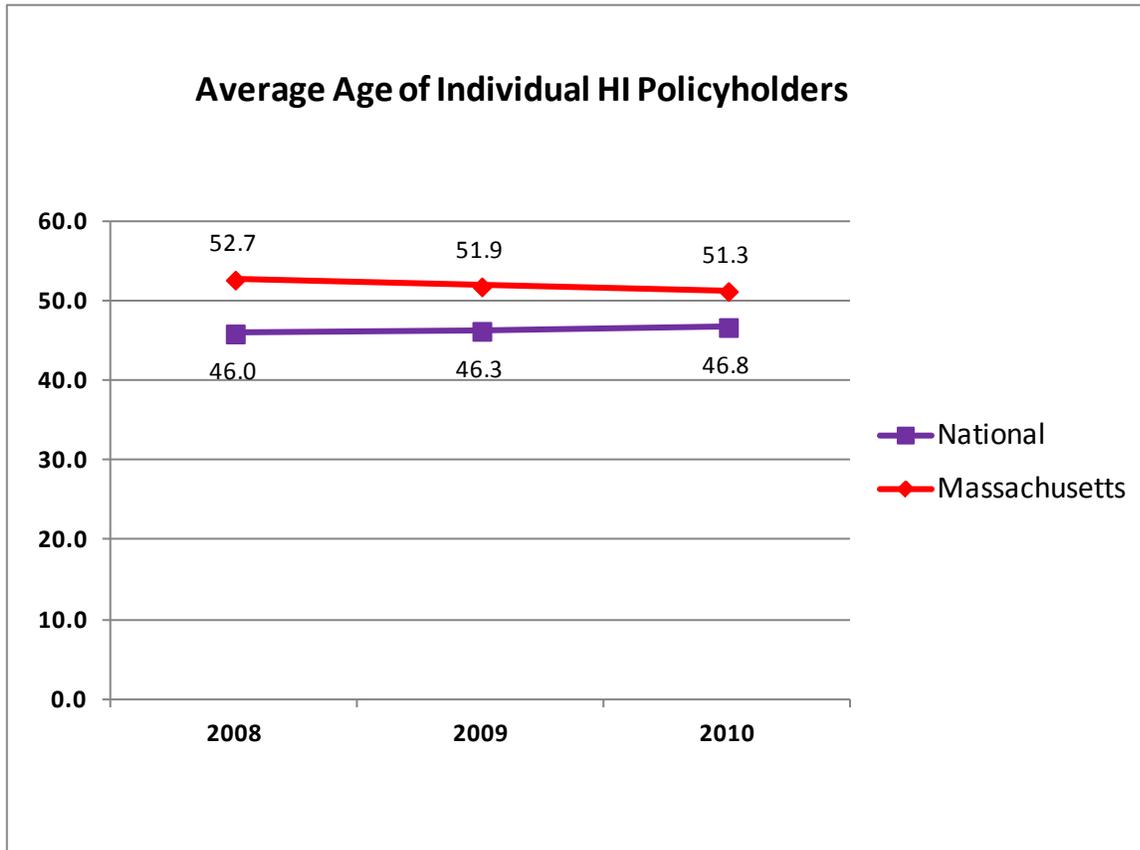


Exhibit 5

6 All but one of the fifteen companies that have individual HI coverage could provide relevant information; the remaining company either was no longer offering coverage in Massachusetts in 2008 or provided insufficient/incomplete information and was not included in the summary statistics.

7 All but one of the fifteen companies that have individual HI coverage could provide relevant information; the remaining company either was no longer offering coverage in Massachusetts in 2010 or provided insufficient/incomplete information and was not included in the summary statistics.

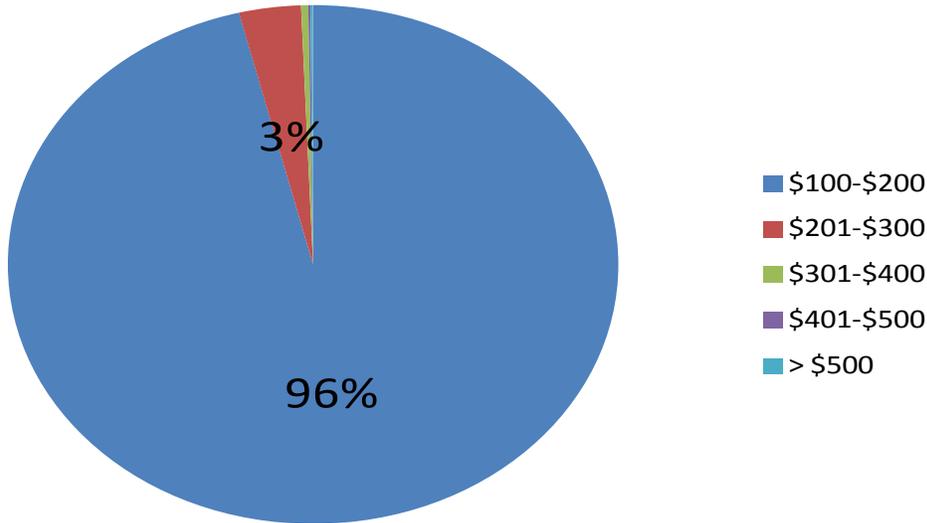
8 All but one of the fifteen companies that have individual HI coverage could provide relevant information; the remaining company either was no longer offering coverage in Massachusetts in 2008 or provided insufficient/incomplete information and was not included in the summary statistics.

9 All but one of the fifteen companies that have individual HI coverage could provide relevant information; the remaining company either was no longer offering coverage in Massachusetts in 2010 or provided insufficient/incomplete information and was not included in the summary statistics.

B. Benefit Amounts

The following charts illustrate benefit amounts commonly sold by companies in Massachusetts¹⁰ and nationally¹¹ for individual HI plans:

**Massachusetts Individual HI Policies -
2010 Daily Benefit Levels of Coverage**



**National Individual HI Policies -
2010 Daily Benefit Levels of Coverage**

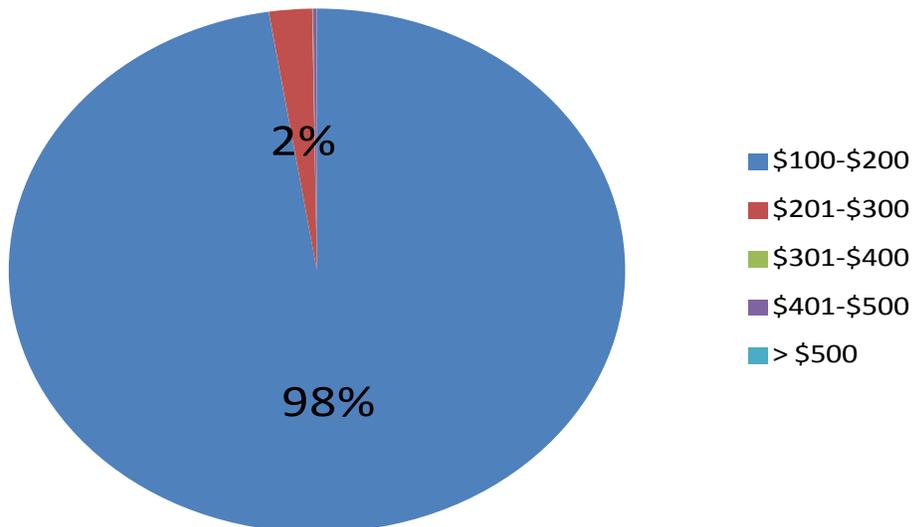


Exhibit 6

¹⁰ Only four companies could provide relevant information; the remaining companies were either no longer offering coverage in Massachusetts, or provided incomplete information and were not included in the summary statistic.

¹¹ Only eight companies could provide relevant information; the remaining companies were either no longer offering coverage nationally, or provided incomplete information and were not included in the summary statistic.

In Massachusetts in 2010, 99% of individual HI policies included coverage for ambulance transportation, either within the policy/certificate itself, or by rider attached to the policy/certificate. The following chart illustrates the average benefit amount of ambulance transportation coverage purchased in Massachusetts¹² for individual HI plans:

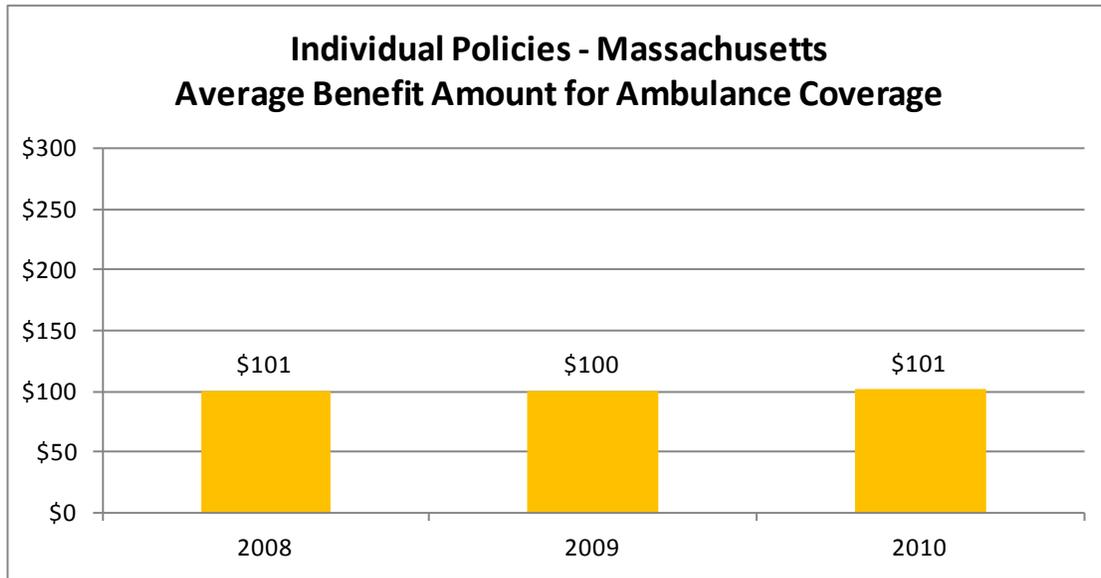


Exhibit 7

In Massachusetts in 2010, 100% of individual HI policies included different levels of coverage for confinement in an intensive care unit (“ICU”), either within the policy/certificate itself, or by rider attached to the policy/certificate. In Massachusetts in 2010, 82% of policies/certificates include a dollar per day benefit amount for ICU confinement coverage equal to the dollar per day benefit amount offered in Massachusetts¹³ for individual HI plans, and 18% of policies/certificates include a dollar per day benefit amount for ICU confinement coverage greater than 100% of the dollar per day benefit amount for individual HI plans.

C. Inflation Protection Benefits

In Massachusetts, HI carriers may permit the insured to choose inflation protection, so that the covered amount will not be fixed and will keep pace with changes in the cost of living. However, no carriers reported offering or including inflation protection within HI coverage.

¹² Only six companies could provide relevant information; the remaining companies were either no longer offering coverage in Massachusetts, or provided incomplete information and were not included in the summary statistic.

¹³ Only three companies could provide relevant information; the remaining companies were either no longer offering coverage in Massachusetts, or provided incomplete information and were not included in the summary statistic.

D. Average Premiums

HI premiums vary based upon the age of the individual when the policy is first bought and the level of benefits included in the coverage. In Massachusetts¹⁴ annual premiums are lower than those of national¹⁵ plans for individual HI coverage.

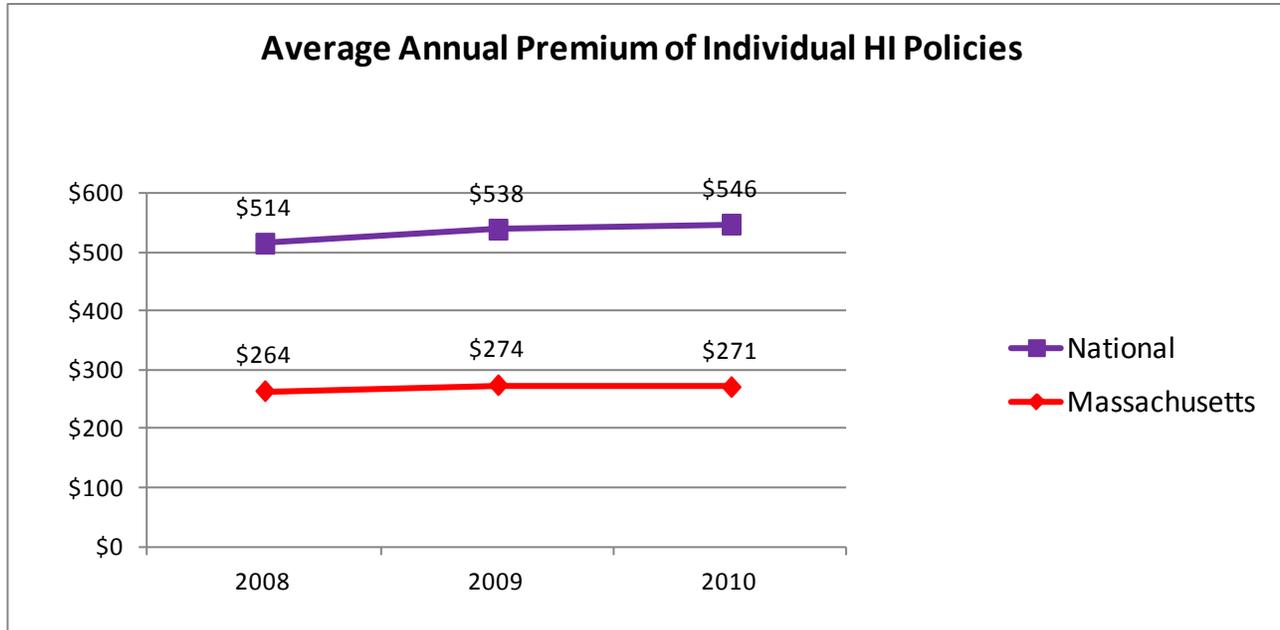


Exhibit 8

E. Pre-existing Limitations

In 2010, four out of the seven reporting carriers in the individual market included a pre-existing condition limitation – of either 6, 10, or 12 months - in Massachusetts.

14 Only seven companies could provide relevant information; the remaining companies were either no longer offering coverage in Massachusetts, or provided incomplete information and were not included in the summary statistic.

15 Only eight companies could provide relevant information; the remaining companies were either no longer offering coverage nationally, or provided incomplete information and were not included in the summary statistic.

F. Waiting Periods

Ninety-five (95%) percent of individual¹⁶ policies include a waiting period, which is defined as the period of time before the insured is eligible for coverage. The waiting period begins once the insured completes the application for the policy and means the policy benefits are not effective until the waiting period has been completed.

Individual Policies in 2010 - Waiting Period of Plans Issued in Massachusetts

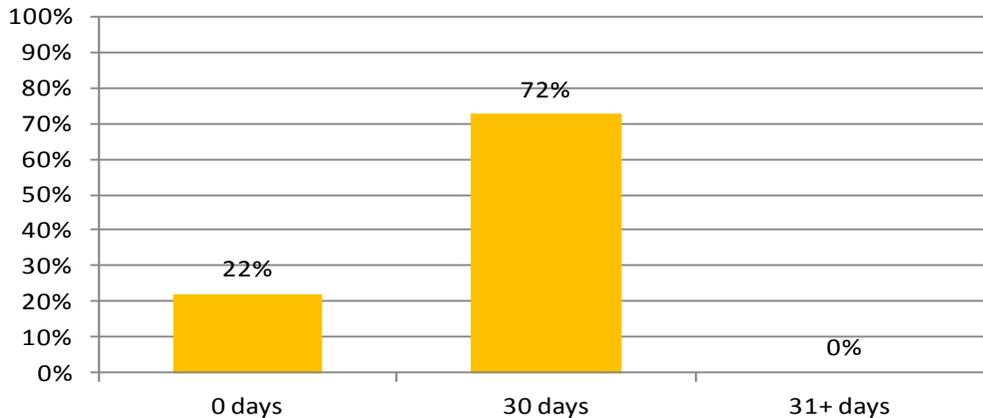


Exhibit 9

G. Duration of Coverage

Duration of coverage is defined as the maximum number of days for which carriers will pay the benefits. Ninety-one (91%) of the individual¹⁷ policies sold in Massachusetts in 2010 include a duration of coverage of more than 180 days.

Individual Policies in 2010 - Duration of Coverage of Plans Issued in Massachusetts

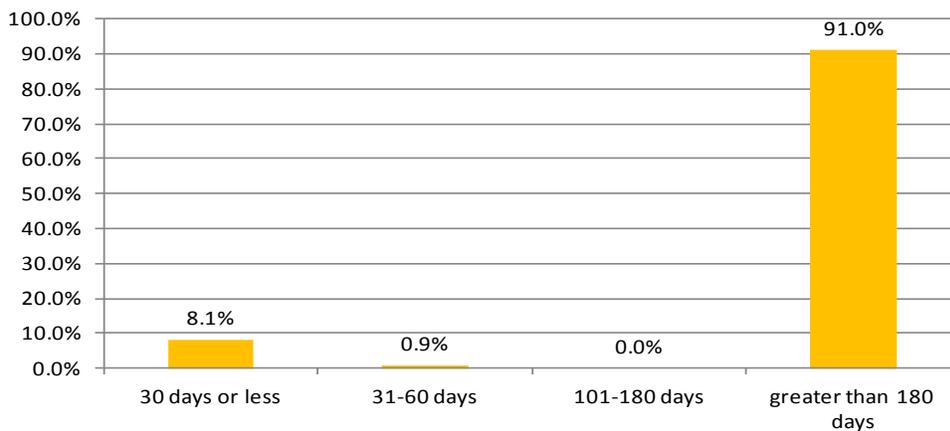


Exhibit 10

16 Six companies could provide relevant information; the remaining companies were either no longer offering coverage, or they provided incomplete information and were not included in the summary statistic.

17 Six companies could provide relevant information; the remaining companies were either no longer offering coverage or they provided incomplete information and were not included in the summary statistic.

H. Exclusions

The following chart illustrates the number of carriers that report that their individual policies¹⁸ exclude certain benefits under the policy if the hospital indemnity is triggered or caused by any of the listed exclusions.

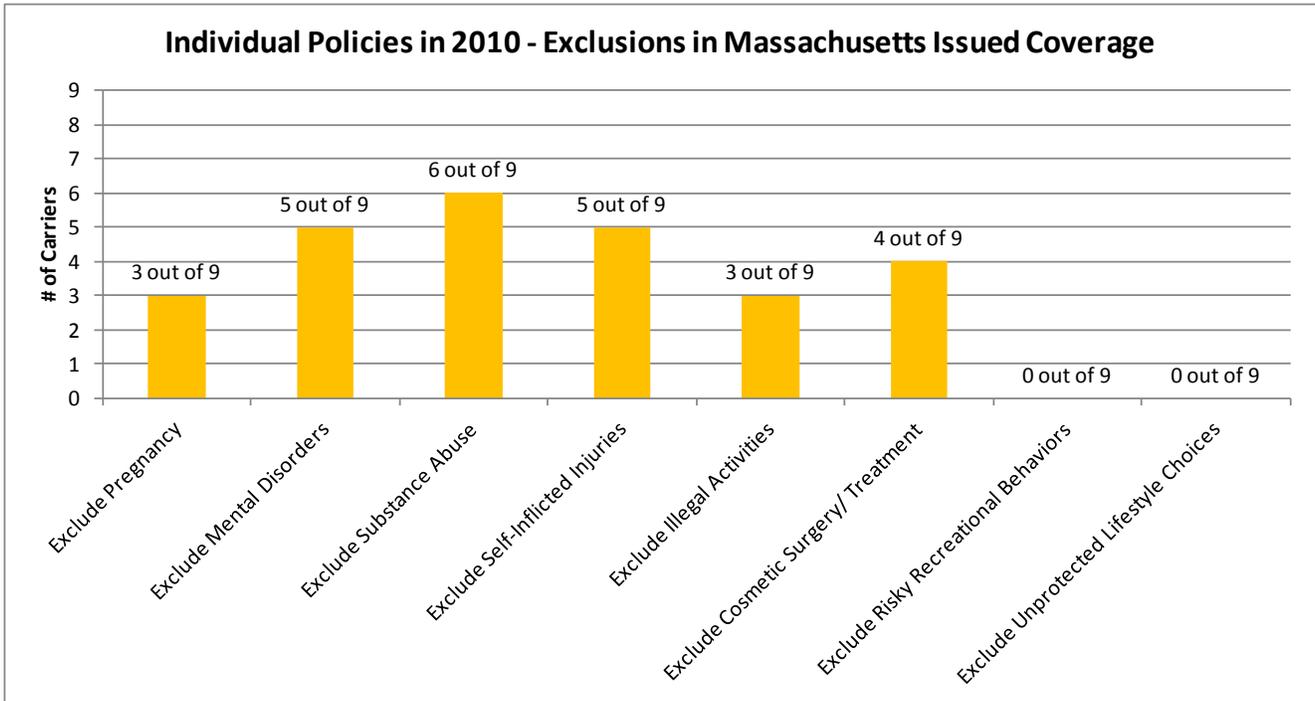


Exhibit 11

¹⁸ Only nine(?) companies could provide relevant information; the remaining companies were either no longer offering coverage, or they provided incomplete information and were not included in the summary statistic.

V. COVERAGE IN GROUP PLANS

A. Average Age of Insureds in Group Hospital Indemnity Policies

For group HI plans, the average age of Massachusetts and national policyholders are similar.

- The average age of Massachusetts HI policyholders was **44.4** both in 2008¹⁹ and in 2010²⁰.
- Nationally, the average age of HI policyholders was **45.1** in 2008²¹ and **44.1** in 2010²².

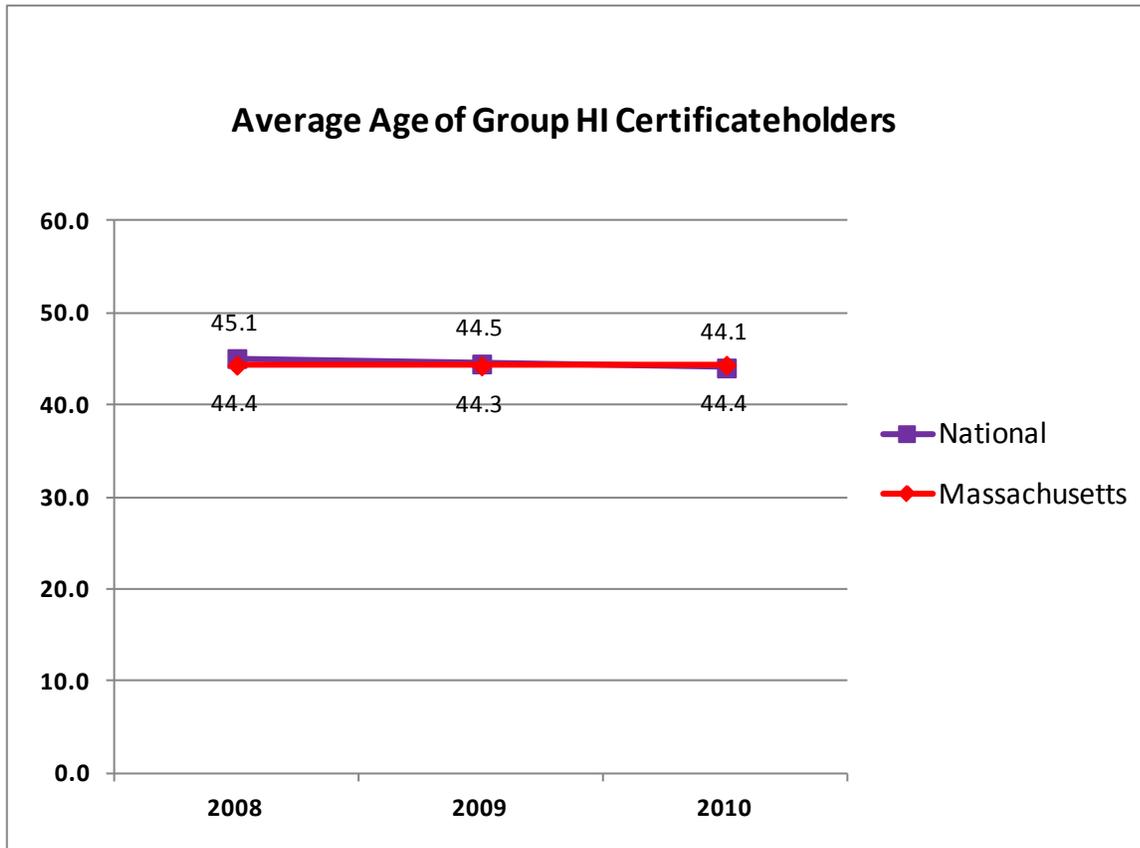


Exhibit 12

19 Only eleven companies could provide relevant information; the remaining companies either were no longer offering coverage in Massachusetts in 2008 or provided incomplete information and were not included in the summary statistics.

20 Only eleven companies could provide relevant information; the remaining companies either were no longer offering coverage in Massachusetts in 2010 or provided incomplete information and were not included in the summary statistics.

21 Only eleven companies could provide relevant information; the remaining companies either were no longer offering coverage nationally in 2008 or provided incomplete information and were not included in the summary statistics.

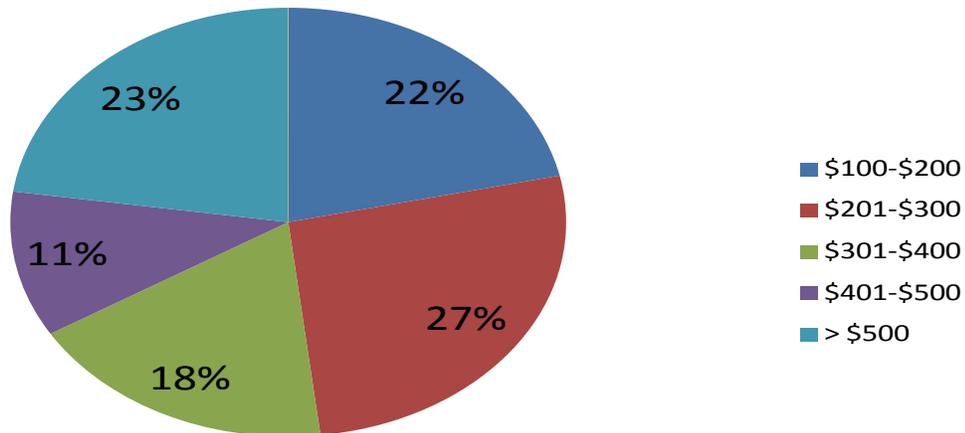
22 Only eleven companies could provide relevant information; the remaining companies either were no longer offering coverage nationally in 2010 or provided incomplete information and were not included in the summary statistics.

B. Benefit Amounts

Group HI plans have benefit amounts, generally elected by the employer sponsoring the plan, though they may have coverage levels elected by individuals opting for employee-paid coverage under the plan.

The following charts illustrate companies' commonly sold benefit amounts²³ in Massachusetts²⁴ and nationally²⁵ for HI coverage when sold through employment-based policies:

Massachusetts Group HI Policies - 2010 Daily Benefit Levels of Coverage



National Group HI Policies - 2010 Daily Benefit Levels of Coverage

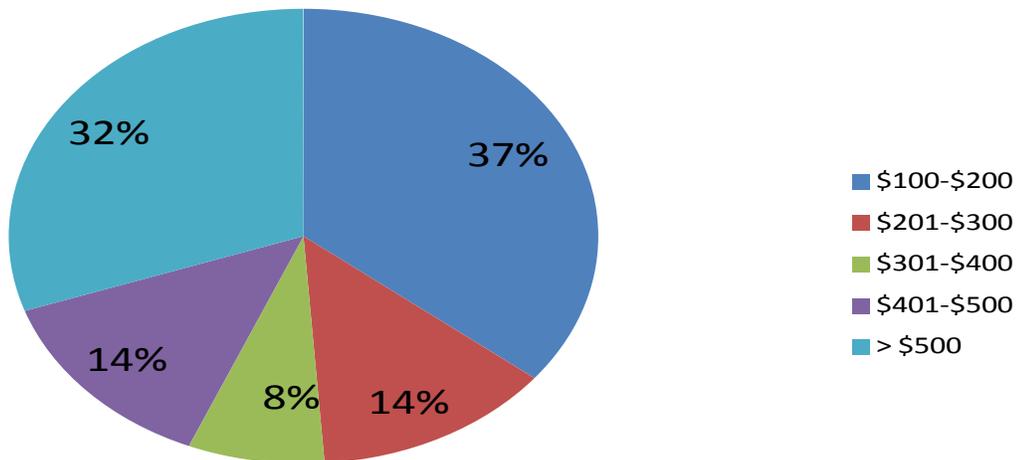


Exhibit 13

23 One company has HI policies with multiple benefit levels in the same plan. This resulted in total percentages exceeding 100% in the charts.

24 Only four companies could provide relevant information; the remaining companies were either no longer offering coverage in Massachusetts, or provided incomplete information and were not included in the summary statistic.

25 Only six companies could provide relevant information; the remaining companies were either no longer offering coverage nationally, or provided incomplete information and were not included in the summary statistic.

In Massachusetts in 2010, 23% of group HI policies included coverage for ambulance transportation, either within the policy/certificate itself, or by rider attached to the policy/certificate. The following chart illustrates the average benefit amount of ambulance transportation coverage purchased in Massachusetts²⁶ for group HI plans:

**Group Policies - Massachusetts Average Benefit Amount
for Ambulance Coverage**

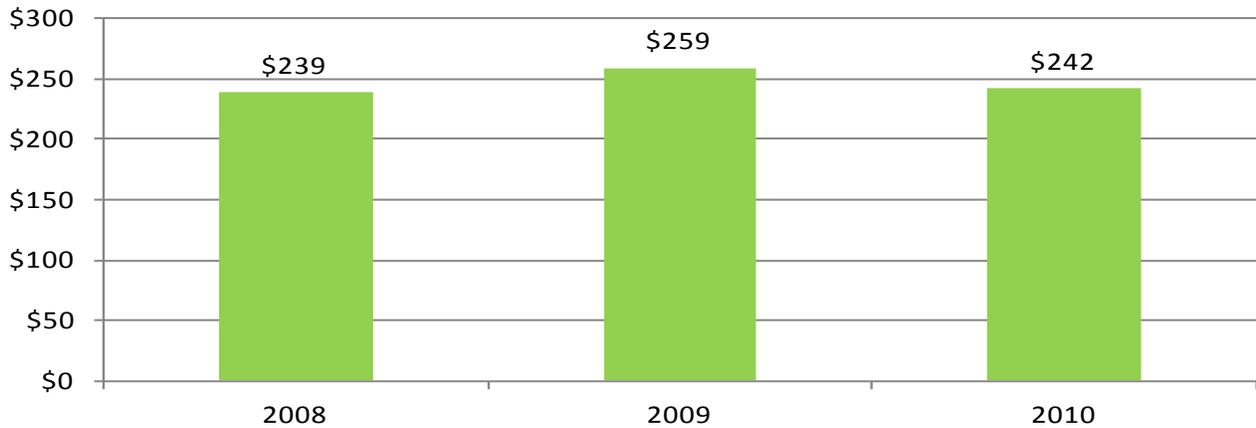


Exhibit 14

In Massachusetts in 2010, 12% of group HI policies included coverage for intensive care unit (“ICU”) confinement, either within the policy/certificate itself, or by rider attached to the policy/certificate. In Massachusetts in 2010, 33% of policies/certificates include a dollar per day benefit amount for ICU confinement coverage equal to the dollar per day benefit amount offered in Massachusetts²⁷ for group HI plans, 27% of policies/certificates include a dollar per day benefit amount for ICU confinement coverage less than 50% of the dollar per day benefit amount for group HI plans, 7% of policies/certificates include a dollar per day benefit amount for ICU confinement coverage between 50% and 100% of the dollar per day benefit amount for group HI plans, and 33% of policies/certificates include a dollar per day benefit amount for ICU confinement coverage greater than 100% of the dollar per day benefit amount for group HI plans.

C. Inflation Protection Benefits

In Massachusetts, HI carriers may permit the insured to choose inflation protection, so that the covered amount will not be fixed and will keep pace with changes in the cost of living. However, no carriers reported offering or including inflation protection within HI coverage.

²⁶ Only five companies could provide relevant information; the remaining companies were either no longer offering coverage in Massachusetts, or provided incomplete information and were not included in the summary statistic.

²⁷ Only three companies could provide relevant information; the remaining companies were either no longer offering coverage in Massachusetts, or provided incomplete information and were not included in the summary statistic.

D. Average Premiums

Premiums vary based upon the ages of the individuals to be covered under the policy and the level of benefits included in the coverage. Group annual premiums in Massachusetts²⁸ are reported to be higher for 2009 and 2010 than similar coverage nationally.²⁹

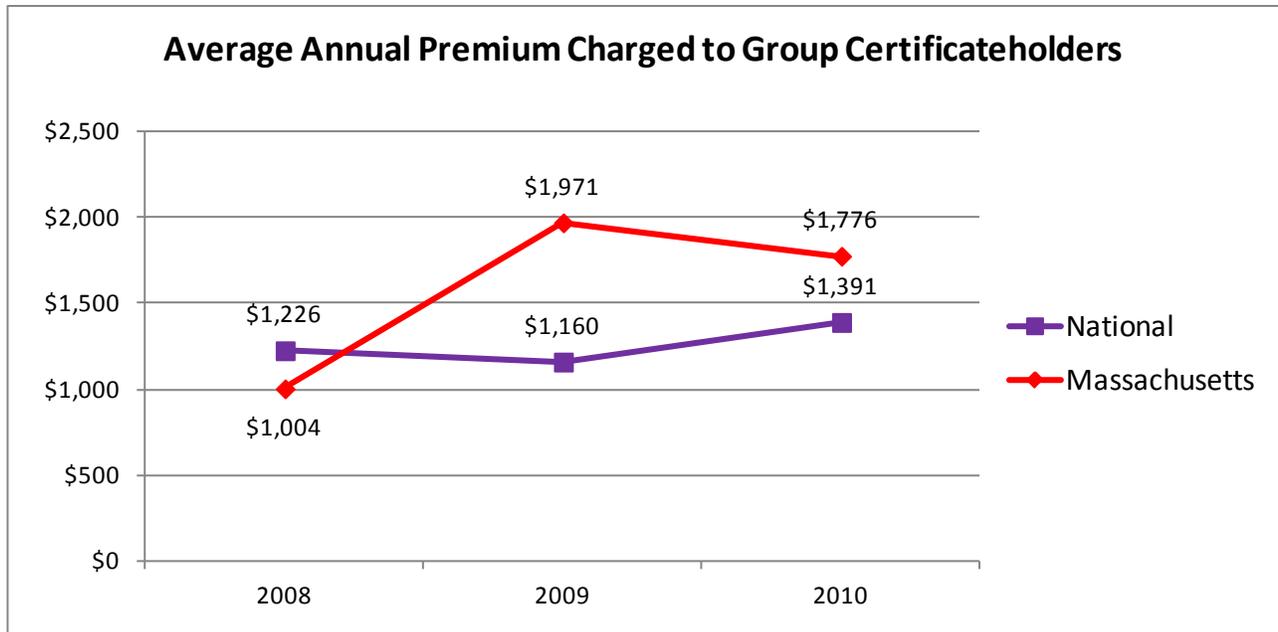


Exhibit 15

E. Pre-existing Limitations

In 2010, seven out of the nine reporting carriers in the group market included a pre-existing condition limitation - of either 6 or 12 months - in Massachusetts.

28 Four companies could provide relevant information; the remaining companies were either no longer offering coverage in Massachusetts, or provided incomplete information and were not included in the summary statistic.

29 Nine companies could provide relevant information; the remaining companies were either no longer offering coverage nationally, or provided incomplete information and were not included in the summary statistic.

F. Waiting Periods

All group³⁰ policies include a waiting period, which is defined as the period of time before the insured is eligible for coverage. The waiting period begins once the insured completes the application for the policy and means the policy benefits are not effective until the waiting period has been completed.

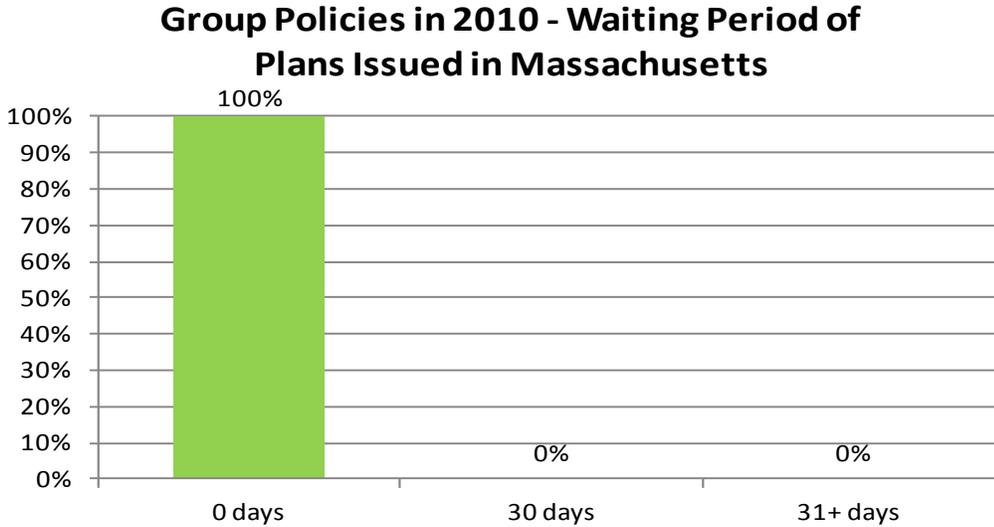


Exhibit 16

G. Duration of Coverage

Duration of coverage is defined as the maximum number of days for which carriers will pay the benefits. Forty-four (44%) of the group³¹ policies sold in Massachusetts in 2010 provide coverage for more than 180 days.

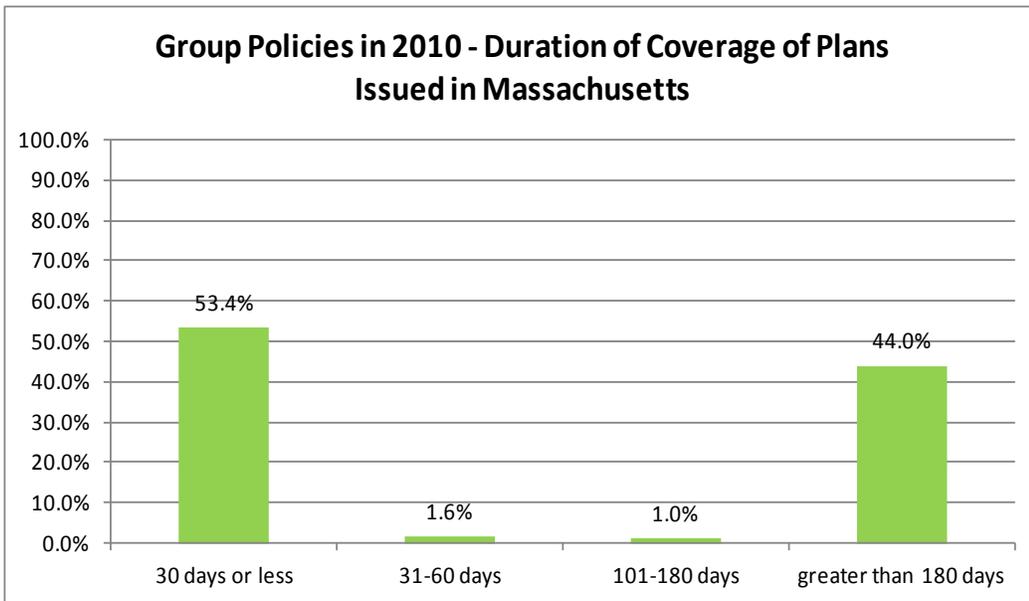


Exhibit 17

30 Five companies could provide relevant information; the remaining companies were either no longer offering coverage, or they provided incomplete information and were not included in the summary statistic.

31 Six companies could provide relevant information; the remaining companies were either no longer offering coverage or they provided incomplete information and were not included in the summary statistic.

H. Exclusions

The following chart illustrates the number of carriers that report that their group policies exclude ³² certain benefits under the policy if the hospital indemnity is triggered or caused by any of the listed exclusions.

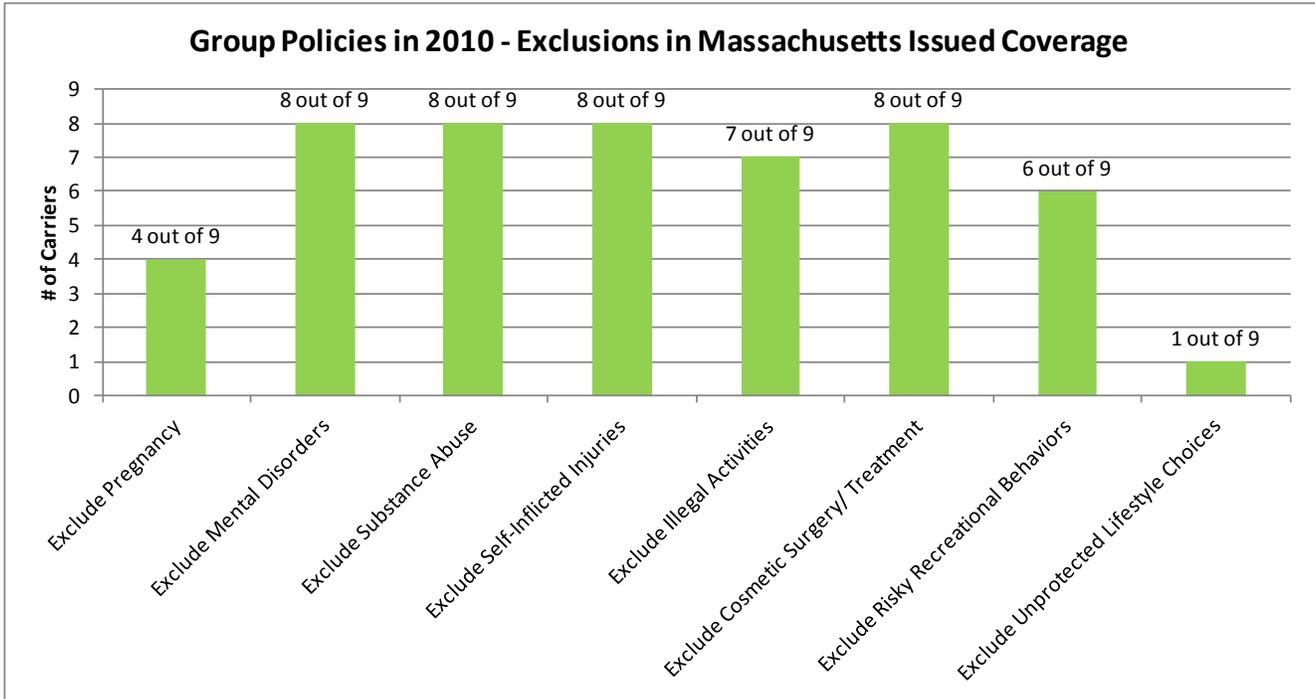


Exhibit 18

³² Only nine companies could provide relevant information; the remaining companies were either no longer offering coverage, or they provided incomplete information and were not included in the summary statistic.

VI. MARKETING PRACTICES

All HI carriers operating in Massachusetts are required to comply with all relevant marketing and advertising requirements of the Massachusetts law and regulation.³³

A. *Time in Market*³⁴

Many of the carriers that offer policies in the individual market indicate they have been marketing HI for more than twenty years. However, the majority of carriers that offer policies in the group market indicate they have been marketing HI for 15 years or less. Companies in both the group and individual markets started marketing HI as follows:

INDIVIDUAL MARKET

<u>Date</u>	<u>Companies</u>
Pre - 1986	8
1986 - 1989	0
1990 - 1992	1
1993 - 1996	2
1997 - 2000	0
2001 - 2008	2

GROUP MARKET

<u>Date</u>	<u>Companies</u>
Pre - 1986	3
1986 - 1989	0
1990 - 1992	0
1993 - 1996	0
1997 - 2000	2
2001 - 2008	9

B. *States Where Marketed*

Many of the companies marketing hospital indemnity insurance in Massachusetts offer in many other states as well. The following chart illustrates within how many states each company operates:

Individual Group

3	0	Number of companies writing HI in all 50 states;
2	9	Number of companies writing HI in 40-49 states;
1	1	Number of companies writing HI in 26-39 states;
1	0	Number of companies writing HI in 11-25 states; and
3	1	Number of companies writing HI in 0-10 states.

C. *Methods of Marketing Products*

Among those marketing HI policies in 2010, companies use the following sales channels:

Individual Group

4	5	Number using producers for marketing;
2	0	Number using captive agents for marketing;
1	1	Number using direct marketing;
0	1	Number using associations to market product; and
0	1	Number using brokers to market product.

³³ 211 CMR 40.00 ("Marketing of Insured Health Plans") outlines required standards that apply to the marketing of insured accident and sickness plans. Carriers are also subject to the requirements of M.G.L. c. 176D where appropriate.

³⁴ Information is based on the earliest date that a carrier initially began marketing nationally or in Massachusetts.

D. Commission Levels

According to responding companies in 2010, initial commissions for Massachusetts individual³⁵ plans ranged from 39% - 52% of the paid premium and the initial commissions for group³⁶ HI plans ranged from 10% - 51% of the paid premium. Please note that the commissions for group HI plans include worksite-based plans where the employee pays the entire premium.

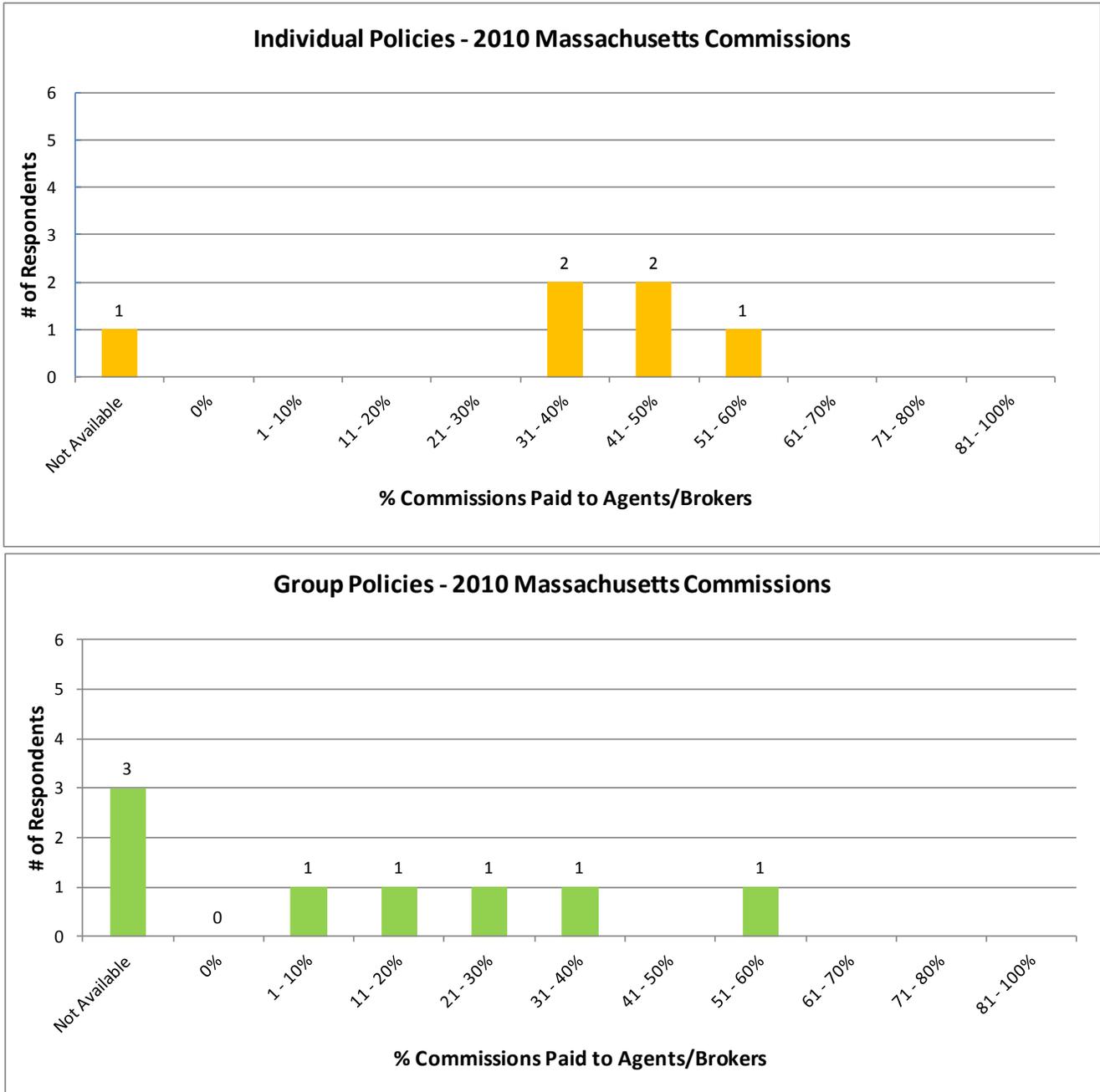


Exhibit 19

35 Only five companies responded to this question; the remaining companies were no longer offering coverage in Massachusetts in 2010.
 36 Only five companies responded about commissions; nonrespondents were no longer offering coverage in Massachusetts in 2010.

E. Offering Coverage through Employers

Of the companies offering group³⁷ HI plans, all but three of the companies offer coverage only through employment-based plans. Among the employment-sponsored plans, the group HI companies report that employers/unions have the following methods of paying the premium:³⁸

- Two companies reported that the employee pays all of the premium;
- One company reported that the employer/union pays all of the premium;
- One company reported that a premium sharing arrangement exists; and
- Two of the eight companies have a group conversion option for individuals when they leave the group.

³⁷ Only eight companies responded to this question; the remaining companies did not sell any group plans in 2010.

³⁸ Only four companies responded to this question; the remaining companies provided insufficient data.

VII. SUMMATION

A total of 20,279 Massachusetts residents were covered under HI insurance plans at year-end 2010; this is an increase of 14% above the 17,823 covered at year-end 2008. Approximately 54% of the covered lives have individual plans subject to Division regulations; the remaining 46% are in employment-sponsored or association plans that are not subject to the same requirements.

There is a wide gap in the level of benefits, premium cost and average age of those covered under group plans compared to those covered under individual plans. HI coverage is marketed by various companies through many different channels.

APPENDIX A

GLOSSARY OF COMMON HOSPITAL INDEMNITY TERMINOLOGY

Conditionally Renewable Policy

Any insurance contract that affords the insured the right to continue the insurance coverage by timely payment of the premium and by satisfying certain conditions set forth in the policy.

Confinement

Admission to, and stay in, a hospital as an inpatient.

Daily Benefit

The amount of insurance benefit in dollars per day that a person chooses to buy.

Elimination Period

A type of deductible; the number of days the insured is disabled before insurance policy benefits begin to be paid. The longer the elimination (or deductible) period, the lower the premium may be.

Group Policy

A policy sold through an employment-based group, union or association that sponsors group plans as a benefit to their employees or members. Some insurers also sell group plans directly to individuals through out-of-state “group trust” arrangements. Individuals receive certificates of coverage from the group policy. These policies are not subject to most Massachusetts state insurance requirements. Employer, union, association and group trust plans may include protections required in individual plans but they are not required to do so under Massachusetts law. Group plans are subject to general laws and regulations governing group accident and sickness insurance.

Guaranteed Renewable Policy

An insurance contract that guarantees the insured’s right to continue the in-force insurance policy by timely payment of the premium. However, unlike a noncancelable policy, the insurance carrier reserves the right to change the premium rate of a guaranteed renewable policy, subject to regulatory approval.

Individual Policy

A policy sold directly by a company to an individual without requiring the individual to be a member of an employment-based group, association or special group insurance trust. These policies are usually sold by insurance agents but sometimes through direct mail or phone solicitations.

Lapse

Termination of a policy when renewal premium is not paid.

Noncancelable Policy

An insurance contract that guarantees the insured’s right to continue the in-force insurance policy by timely payment of the premium. It differs from a guaranteed renewable policy in that an insurance carrier has no right to change the premium rate of a noncancelable policy. Also known as a guaranteed rate policy.

Optionally Renewable Policy

An insurance contract that is renewed on each policy anniversary date at the insurance carrier's discretion.

Pre-existing Condition

A condition for which medical advice was given by, or treatment was recommended by or received from, a licensed health care provider within a specified period before coverage under the policy becomes effective.

Rider

Addition to the insurance policy that changes or adds to the provisions or coverage of the insurance policy.

Underwriting

The process of examining, accepting or rejecting insurance risks, and classifying those selected, in order to charge the proper premium for each.

Waiting Period

The number of days following issuance of the policy before coverage becomes effective.

Waiver of Premium

A provision in an insurance policy that relieves the insured of paying the premiums while receiving benefits.

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

HOSPITAL CONFINEMENT INDEMNITY INSURANCE SURVEY REPORTING FOR 1/1/2008 THROUGH 12/31/2010

Name of Carrier: <Insert Company Name here>
 NAIC#: <Insert NAIC# here>
 Contact/Title: <Insert Contact/Title>
 Address: <Insert Address here>
 Telephone: <Insert Telephone Number here>
 FAX: <Insert FAX Number here>
 E-Mail Address: <Insert E-Mail Address here>
 Original File Date: <Insert original filing date here>
 Revision Date (If applicable): <Insert revision date(s) to filing here>

Instructions:

- * IF YOUR COMPANY INSURES MASSACHUSETTS RESIDENTS IN INDIVIDUAL AND GROUP HOSPITAL CONFINEMENT INDEMNITY INSURANCE POLICIES, PLEASE SUBMIT ONE RESPONSE FOR INDIVIDUAL AND ONE FOR GROUP BUSINESS. PLEASE NOTE THAT POLICIES ISSUED TO PERSONS OR GROUPS OUT-OF-STATE AND ANY CERTIFICATES ISSUED THEREUNDER SHOULD NOT BE COUNTED.
- * IF YOUR COMPANY INSURED FEWER THAN 100 INDIVIDUAL POLICYHOLDERS OR 100 GROUP CERTIFICATEHOLDERS, PLEASE ONLY COMPLETE PART A OF THE SURVEY.
- * PLEASE COMPLETE THE SURVEY IF YOUR COMPANY HAD MASSACHUSETTS BUSINESS IN FORCE DURING ANY OF THE REPORTING REPORTING PERIOD, INCLUDING CLOSED BLOCKS OF BUSINESS. FOR CLOSED BLOCKS, MANY OF THE SURVEY QUESTIONS MAY BE ANSWERED AS "N/A". AGAIN, PLEASE NOTE THAT POLICIES ISSUED TO PERSONS OR GROUPS OUT-OF-STATE AND ANY CERTIFICATES ISSUED THEREUNDER SHOULD NOT BE COUNTED.
- * ALL NOTATIONS IN THE SURVEY OF "POLICY" OR "CERTIFICATE" SHALL INCLUDE RIDERS OFFERING HOSPITAL CONFINEMENT INDEMNITY INSURANCE COVERAGE.
- * PLEASE INCLUDE ALL HOSPITAL CONFINEMENT INDEMNITY INSURANCE PRODUCTS YOUR COMPANY OFFERS IN ITS RESPONSE.

The responses to this questionnaire pertain to:	Place a checkmark (✓) next to the applicable type of business.
1. GROUP business	
2. INDIVIDUAL business	

If your company is selling an administrative services only product to a self-funded plan, please check here. _____
 (Please do not include information on this questionnaire about such administrative services only to a self-funded plan product.)

PLEASE RETURN BY NO LATER THAN MONDAY, AUGUST 1, 2011.

By e-mail: HCABSsurveys@state.ma.us

THE STATEMENTS AND ANY ATTACHMENTS AND ENCLOSURES ACCOMPANYING THIS REPORT REPRESENT MY ORGANIZATION'S PARTICIPATION IN THE HOSPITAL CONFINEMENT INDEMNITY INSURANCE MARKET.

 Print Name and Title

 Signature

 Date

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

<Insert Company Name here>

Please note: If your company is not able to answer any of the questions below, please explain specifically why you cannot do so. In addition, please use this space for further explanation of any answer to any question you deem necessary.

- 1a) What year did your company begin marketing hospital confinement indemnity insurance products?
 Nationally: _____
 Massachusetts: _____
- 1b) If your company did but no longer markets hospital confinement indemnity insurance, in what year did your company cease marketing these products?
 Nationally: _____
 Massachusetts: _____

NATIONAL

- 2a) Nationally, what is the total number of hospital confinement indemnity insurance policies/certificates that your company had in force as of December 31 in each of the following calendar years:

2008	2009	2010

- 2b) Nationally, what was the average age of persons covered by your company's hospital confinement indemnity coverage in each of the following years?

2008	2009	2010

- 3a) Nationally, how many hospital confinement indemnity policies/certificates were initially issued during each of the following calendar years:

2008	2009	2010

- 3b) Nationally, what percentage of hospital confinement indemnity policies/certificates were issued within the following age ranges during each of the following years?

	2008	2009	2010
< 40			
40 - 49			
50 - 55			
56 - 60			
> 60			

- 3c) Nationally, what was the average age of persons whose hospital confinement indemnity coverage was initially issued during each of the following years:

2008	2009	2010

- 3d) Nationally, how many hospital confinement indemnity policies/certificates that were initially issued during each of the following calendar years were still in force at the end of the same year:

2008	2009	2010

- 4) Please complete the following table regarding actual earned premium, actual incurred claims, and actual loss ratio incurred to premium earned percentage for the following years:

Actual earned premium
 Actual incurred claims
 Ratio (expressed in %) of actual losses incurred to premiums earned

	2008	2009	2010

MASSACHUSETTS

- 5a) In Massachusetts, what is the total number of hospital confinement indemnity insurance policies/certificates that your company had in force as of December 31 in each of the following calendar years:

2008	2009	2010

- 5b) In Massachusetts, what was the average age of persons covered by your company's hospital confinement indemnity plans in each of the following years:

2008	2009	2010

- 6a) In Massachusetts, how many hospital confinement indemnity policies/certificates were initially issued during each of the following calendar years:

2008	2009	2010

- 6b) In Massachusetts, what percentage of hospital confinement indemnity policies/certificates were issued within the following age ranges during each of the following years?

	2008	2009	2010
< 40			
40 - 49			
50 - 55			
56 - 60			
> 60			

- 6c) In Massachusetts, what was the average age of persons whose hospital confinement indemnity coverage was initially issued during each of the following years:

2008	2009	2010

- 6d) In Massachusetts, how many hospital confinement indemnity policies/certificates that were initially issued during each of the following calendar years were still in force at the end of the same year:

2008	2009	2010

- 7) Please complete the following table regarding actual earned premium, actual incurred claims, and actual loss ratio incurred to premium earned percentage for the following years:

Actual earned premium
 Actual incurred claims
 Ratio (expressed in %) of actual losses incurred to premiums earned

	2008	2009	2010

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

HOSPITAL CONFINEMENT INDEMNITY INSURANCE SURVEY REPORTING FOR 1/1/2008 THROUGH 12/31/2010

Name of Carrier: <Insert Company Name here>
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Instructions:

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- * IF YOUR COMPANY INSURED FEWER THAN 100 INDIVIDUAL POLICYHOLDERS OR 100 GROUP CERTIFICATEHOLDERS, PLEASE ONLY COMPLETE PART A OF THE SURVEY.
- * PLEASE COMPLETE THE SURVEY IF YOUR COMPANY HAD MASSACHUSETTS BUSINESS IN FORCE DURING ANY OF THE REPORTING REPORTING PERIOD, INCLUDING CLOSED BLOCKS OF BUSINESS. FOR CLOSED BLOCKS, MANY OF THE SURVEY QUESTIONS MAY BE ANSWERED AS "N/A". AGAIN, PLEASE NOTE THAT POLICIES ISSUED TO PERSONS OR GROUPS OUT-OF-STATE AND ANY CERTIFICATES ISSUED THEREUNDER SHOULD NOT BE COUNTED AS MASSACHUSETTS DATA.
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- * PLEASE INCLUDE ALL HOSPITAL CONFINEMENT INDEMNITY INSURANCE PRODUCTS YOUR COMPANY OFFERS IN ITS RESPONSE.

The responses to this questionnaire pertain to:	Place a checkmark (✓) next to the applicable type of business.
1. GROUP business	
2. INDIVIDUAL business	

If your company is selling an administrative services only product to a self-funded plan, please check here. _____
 (Please do not include information on this questionnaire about such administrative services only to a self-funded plan product.)

PLEASE RETURN BY NO LATER THAN MONDAY, OCTOBER 3, 2011.

By e-mail: HCABSURVEYS@STATE.MA.US

THE STATEMENTS AND ANY ATTACHMENTS AND ENCLOSURES ACCOMPANYING THIS REPORT REPRESENT MY ORGANIZATION'S PARTICIPATION IN THE HOSPITAL CONFINEMENT INDEMNITY INSURANCE MARKET.

 Print Name and Title

 Signature

 Date

MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE
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FOR DIVISION OF INSURANCE USE ONLY:

<Insert Company Name here>

<Insert original filing date here>

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

<Insert Company Name here>

*****Please note: If your company is not able to answer any of the questions below, please explain specifically why you cannot do so. In addition, please use this space for further explanation of any answer to any question you deem necessary.*****

1) Does your company presently market (i.e., advertise and/or issue) hospital confinement indemnity insurance?

YES	NO

2) In how many jurisdictions does your company market (i.e., advertise and/or issue) hospital confinement indemnity insurance? [Insert #]

<Insert # >

3) Does your company offer hospital confinement indemnity benefits only as part of a stand-alone hospital confinement indemnity policy?

YES	NO

3a) If not, do you offer hospital confinement indemnity benefits as a rider to or component of one of the following types of policies:

<p>disability income</p> <p>specified disease</p> <p>accident-only</p> <p>long-term care</p> <p>dental or vision</p> <p>universal life</p>	<p>term life</p> <p>whole life</p> <p>Other (List)</p>

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

<Insert Company Name here>

Please note: If your company is not able to answer any of the questions below, please explain specifically why you cannot do so. In addition, please use this space for further explanation of any answer to any question you deem necessary.

1) Does your company provide guidelines to agents related to the marketing of individual and group hospital confinement indemnity insurance products to potential customers?

YES	NO

If yes, please describe these guidelines and the steps your company takes to encourage agents to comply with them.

Are the guidelines for Massachusetts the same for all other areas in which your company markets hospital confinement indemnity products? If not, please describe any differences in the marketing guidelines for Massachusetts.

2) **Nationally**, indicate the methods by which your company markets hospital confinement indemnity insurance and the percentage of premium written through each of the following:

	checkmark (√)	Percent (%)
associations		
producers		
captive agents		
direct marketing		
other (List)		

0.0%

3) In **Massachusetts**, indicate the methods by which your company markets hospital confinement indemnity insurance and the percentage of premium written through each of the following:

	checkmark (√)	Percent (%)
associations		
producers		
captive agents		
direct marketing		
other (List)		

0.0%

4) Please indicate **by year** the **average income** of applicants that purchase (newly issued policies) your hospital confinement indemnity insurance product.

	2008	2009	2010
Average Income			

5) What is the **average first year commission** paid to an agent or broker for a new hospital confinement indemnity policy in **Massachusetts** expressed as a **percentage** of gross premium (ie., **10% of gross premium**)?

--

6) Please identify when (i.e., time of policy proposal, upon delivery of policy, time of proposal and upon delivery etc.) the following materials are provided to an applicant/policyholder in Massachusetts:

Policy Disclosure Form	
Outline of Coverage	
Copy of Application	
Inflation Adjustment Benefit Information	
Return of Premium Benefit Information	
Home Health Care Benefit Information	
Policy and Riders	

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

<Insert Company Name here>

Please note: If your company is not able to answer any of the questions below, please explain specifically why you cannot do so. In addition, please use this space for further explanation of any answer to any question you deem necessary.

Hospital Confinement

NATIONAL

- 1) **Nationally**, what percentage of hospital confinement indemnity policies/certificates offered dollar per day benefit amounts within the following ranges?

	\$100-\$200	\$201-\$300	\$301-\$400	\$401-\$500	> \$500
2008					
2009					
2010					

MASSACHUSETTS

- 2) **In Massachusetts**, what percentage of hospital confinement indemnity policies/certificates offered dollar per day benefit amounts within the following ranges?

	\$100-\$200	\$201-\$300	\$301-\$400	\$401-\$500	> \$500
2008					
2009					
2010					

Intensive Care Unit Confinement

NATIONAL

- 3) **Nationally**, did your company offer coverage for intensive care unit (ICU) confinement in 2008, 2009 and 2010?

YES	NO

- 4) If Yes, what percentage of hospital confinement indemnity policies/certificates provided ICU confinement coverage within the policy/certificate itself? What percentage provided this coverage by rider attached to the policy/certificate? In what percentage of policies/certificates was the dollar per day benefit amount for ICU confinement coverage equal to, less than 50% of, between 50% and 100% of, or greater than 100% of the dollar per day benefit amount offered for hospital confinement?

	2008	2009	2010
% within policy/certificate			
% by attached rider			
equal to hospital confinement benefit			
< 50% of hospital confinement benefit			
50% - 100% of hospital confinement benefit			
> 100% of hospital confinement benefit			

MASSACHUSETTS

- 5) **In Massachusetts**, did your company offer coverage for intensive care unit (ICU) confinement in 2008, 2009 and 2010?

YES	NO

- 6) If Yes, what percentage of hospital confinement indemnity policies/certificates provided ICU confinement coverage within the policy/certificate itself? What percentage provided this coverage by rider attached to the policy/certificate? In what percentage of policies/certificates was the dollar per day benefit amount for ICU confinement coverage equal to, less than 50% of, between 50% and 100% of, or greater than 100% of the dollar per day benefit amount offered for hospital confinement?

	2008	2009	2010
% within policy/certificate			
% by attached rider			
equal to hospital confinement benefit			
< 50% of hospital confinement benefit			
50% - 100% of hospital confinement benefit			
> 100% of hospital confinement benefit			

Cardiac Care Unit Confinement

NATIONAL

- 7) **Nationally**, did your company offer coverage for cardiac care unit (CCU) confinement in 2008, 2009 and 2010?

YES	NO

- 8) If Yes, what percentage of hospital confinement indemnity policies/certificates provided CCU confinement coverage within the policy/certificate itself? What percentage provided this coverage by rider attached to the policy/certificate? In what percentage of policies/certificates was the dollar per day benefit amount for CCU confinement coverage equal to, less than 50% of, between 50% and 100% of, or greater than 100% of the dollar per day benefit amount offered for hospital confinement?

	2008	2009	2010
% within policy/certificate			
% by attached rider			
equal to hospital confinement benefit			
< 50% of hospital confinement benefit			
50% - 100% of hospital confinement benefit			
> 100% of hospital confinement benefit			

MASSACHUSETTS

- 9) **In Massachusetts**, did your company offer coverage for cardiac care unit (CCU) confinement in 2008, 2009 and 2010?

YES	NO

- 10) If Yes, what percentage of hospital confinement indemnity policies/certificates provided CCU confinement coverage within the policy/certificate itself? What percentage provided this coverage by rider attached to the policy/certificate? In what percentage of policies/certificates was the dollar per day benefit amount for CCU confinement coverage equal to, less than 50% of, between 50% and 100% of, or greater than 100% of the dollar per day benefit amount offered for hospital confinement?

	2008	2009	2010
% within policy/certificate			
% by attached rider			
equal to hospital confinement benefit			
< 50% of hospital confinement benefit			
50% - 100% of hospital confinement benefit			
> 100% of hospital confinement benefit			

Ambulance Transportation

NATIONAL

- 11) **Nationally**, did your company offer coverage for ambulance transportation in 2008, 2009 and 2010?

YES	NO

- 12) If Yes, what percentage of hospital confinement indemnity policies/certificates provided ambulance transportation coverage within the policy/certificate itself? What percentage provided this coverage by rider attached to the policy/certificate? What was the average benefit amount of ambulance transportation coverage purchased in 2008, 2009 and 2010?

	2008	2009	2010
% within policy/certificate			
% by attached rider			
average benefit amount			

MASSACHUSETTS

- 13) **In Massachusetts**, did your company offer coverage for ambulance transportation in 2008, 2009 and 2010?

YES	NO

- 14) If Yes, what percentage of hospital confinement indemnity policies/certificates provided ambulance transportation coverage within the policy/certificate itself? What percentage provided this coverage by rider attached to the policy/certificate? What was the average benefit amount of ambulance transportation coverage purchased in 2008, 2009 and 2010?

	2008	2009	2010
% within policy/certificate			
% by attached rider			
average benefit amount			

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

<Insert Company Name here>

*****Please note: If your company is not able to answer any of the questions below, please explain specifically why you cannot do so. In addition, please use this space for further explanation of any answer to any question you deem necessary.*****

NATIONAL

- 1) What **percentage** of hospital confinement indemnity insurance policyholders/certificateholders **Nationally** bought coverage where benefits were available for the following durations?

	30 days or less	31-60 days	101-180 days	greater than 180 days
2008				
2009				
2010				

MASSACHUSETTS

- 2) What **percentage** of hospital confinement indemnity insurance policyholders/certificateholders **in Massachusetts** bought coverage where benefits were available for the following durations?

	30 days or less	31-60 days	101-180 days	greater than 180 days
2008				
2009				
2010				

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

<Insert Company Name here>

*****Please note: If your company is not able to answer any of the questions below, please explain specifically why you cannot do so. In addition, please use this space for further explanation of any answer to any question you deem necessary.*****

- | | | |
|---|--------------------------|--------------------------|
| | YES | NO |
| 1) Does your company issue hospital confinement indemnity policies/certificates in Massachusetts with a pre-existing condition limitation? [checkmark (√)] | <input type="checkbox"/> | <input type="checkbox"/> |

If yes, please identify the maximum limitation period from the date of issue of these policies/certificates.

- 2) Identify whether your company's standard policy language expressly limits or excludes the following conditions:
- * pregnancy
 - * mental disorders
 - * substance abuse
 - * self-inflicted injuries
 - * engaging in illegal activities
 - * elective or cosmetic surgeries or treatments
 - * risky recreational behaviors, such as skydiving, skiing, bungee jumping, un-helmeted motorcycle driving, etc.
 - * unprotected lifestyle choices

Other common exclusions:

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

<Insert Company Name here>

*****Please note: If your company is not able to answer any of the questions below, please explain specifically why you cannot do so. In addition, please use this space for further explanation of any answer to any question you deem necessary.*****

NATIONAL

- 1) Has your company issued a hospital confinement indemnity policy/certificate **Nationally** that requires the policyholder/certificateholder to satisfy more than one waiting period during the policy's/certificate's lifetime?

YES	NO
<input type="text"/>	<input type="text"/>

If yes, is your company still issuing such a plan?

YES	NO
<input type="text"/>	<input type="text"/>

- 2) What **percentage** of hospital confinement indemnity policyholders/certificateholders **Nationally** purchased coverage (based on issue age) with the following waiting periods?

	2008	2009	2010
0 days	<input type="text"/>	<input type="text"/>	<input type="text"/>
30 days	<input type="text"/>	<input type="text"/>	<input type="text"/>
more than 30 days	<input type="text"/>	<input type="text"/>	<input type="text"/>
(Each column should reflect 100%)	0.0%	0.0%	0.0%

MASSACHUSETTS

- 3) Has your company issued a hospital confinement indemnity policy/certificate **in Massachusetts** that requires the policyholder/certificateholders to satisfy more than one waiting period during the policy's/certificate's lifetime?

YES	NO
<input type="text"/>	<input type="text"/>

If yes, is your company still issuing such a plan?

YES	NO
<input type="text"/>	<input type="text"/>

If currently offered in **Massachusetts**, please identify the form number issued to Massachusetts policyholders/certificateholders.

- 4) What **percentage** of hospital confinement indemnity policyholders/certificateholders in **Massachusetts** purchased coverage (based on issue age) with the following waiting periods?

	2008	2009	2010
0 days	<input type="text"/>	<input type="text"/>	<input type="text"/>
30 days	<input type="text"/>	<input type="text"/>	<input type="text"/>
more than 30 days	<input type="text"/>	<input type="text"/>	<input type="text"/>
(Each column should reflect 100%)	0.0%	0.0%	0.0%

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

<Insert Company Name here>

Please note: If your company is not able to answer any of the questions below, please explain specifically why you cannot do so. In addition, please use this space for further explanation of any answer to any question you deem necessary.

NATIONAL

1) What percentage of policyholders/certificateholders purchased inflation protection, by type of protection, **Nationally**? Please provide the responses to this question as a percentage of hospital confinement indemnity policies initially issued during 2008, 2009 and 2010.

	2008	2009	2010
No inflation protection			
3% simple interest			
5% simple interest			
10% simple interest			
CPI Increase			
3% compound interest			
5% compound interest			
10% compound interest			
Guar Future Purch Option			
Other (please specify)			

2) What is the **average cost** (dollar amount) of each of the inflation protection provisions purchased by policyholders/certificateholders **Nationally** in 2008, 2009 and 2010?

	2008	2009	2010
3% simple interest			
5% simple interest			
10% simple interest			
CPI Increase			
3% compound interest			
5% compound interest			
10% compound interest			
Other (please specify)			

MASSACHUSETTS

3) What percentage of policyholders/certificateholders purchased inflation protection, by type of protection, **in Massachusetts**? Please provide the responses to this question as a percentage of hospital confinement indemnity policies initially issued during 2008, 2009 and 2010.

	2008	2009	2010
No inflation protection			
3% simple interest			
5% simple interest			
10% simple interest			
CPI Increase			
3% compound interest			
5% compound interest			
10% compound interest			
Guar Future Purch Option			
Other (please specify)			

4) What is the **average cost** (dollar amount) of each of the inflation protection provisions purchased by **Massachusetts** policyholders/certificateholders in 2008, 2009 and 2010?

	2008	2009	2010
3% simple interest			
5% simple interest			
10% simple interest			
CPI Increase			
3% compound interest			
5% compound interest			
10% compound interest			
Other (please specify)			

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

<Insert Company Name here>

*****Please note: If your company is not able to answer any of the questions below, please explain specifically why you cannot do so. In addition, please use this space for further explanation of any answer to any question you deem necessary.*****

NATIONAL

- 1) When offering products **Nationally**, does your company offer return of premium benefits with hospital confinement indemnity policies/certificates?

YES	NO

If yes, please complete the tables below by year and describe the return of premium benefits offered, the percentage of policyholders/certificateholders who purchased the return of premium benefits, and the average cost of the benefit.

Return of Premium type (LIST)

- 1
2
3

2008	2009	2010
% purchased	% purchased	% purchased

- 2) What **percentage** of your **group** policies sold **Nationally** in 2008, 2009 and 2010 require return of premium benefits?

2008	2009	2010

MASSACHUSETTS

- 3) In **Massachusetts**, does your company offer all the above-noted return of premium benefits in its hospital confinement indemnity insurance policies? If not, please identify which are **not offered in Massachusetts**.

YES	NO

Return of Premium type (LIST)	NOT offered in MA 2008	NOT offered in MA 2009	NOT offered in MA 2010

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

<Insert Company Name here>

Please note: If your company is not able to answer any of the questions below, please explain specifically why you cannot do so. In addition, please use this space for further explanation of any answer to any question you deem necessary.

NATIONAL

- 1) What was the average annual premium paid, **Nationally**, in 2008, 2009 and 2010 for hospital confinement indemnity policies/certificates issued in 2008, 2009 and 2010? Please complete the following table:

POLICY YEAR	OR	OR	OR
	polices/certificates sold in 2008 identify the average annual premium in 2008	polices/certificates sold in 2008 identify the average annual premium in 2009	polices/certificates sold in 2008 identify the average annual premium in 2010
2008			

POLICY YEAR	OR	OR
	polices/certificates sold in 2009 identify the average annual premium in 2009	polices/certificates sold in 2009 identify the average annual premium in 2010
2009		

POLICY YEAR	OR
	polices/certificates sold in 2010 identify the average annual premium in 2010
2010	

- 2) What percentage of your **National** hospital confinement indemnity insurance policies sold by year are single premium or noncancelable?

Year Sold	Percentage
2008	
2009	
2010	

- 3) What percentage of your **National** single premium or noncancelable hospital confinement indemnity insurance policies/certificates had claims within the following months of purchase?

	2008	2009	2010
< 12 months			
12 - 24 months			na
none before death of policyholder			

MASSACHUSETTS

- 4) What was the average annual premium paid, in **Massachusetts**, in 2008, 2009 and 2010 for hospital confinement indemnity policies/certificates issued in 2008, 2009 and 2010? Please complete the following table:

POLICY YEAR	OR	OR	OR
	polices/certificates sold in 2008 identify the average annual premium in 2008	polices/certificates sold in 2008 identify the average annual premium in 2009	polices/certificates sold in 2008 identify the average annual premium in 2010
2008			

POLICY YEAR	OR	OR
	polices/certificates sold in 2009 identify the average annual premium in 2009	polices/certificates sold in 2009 identify the average annual premium in 2010
2009		

POLICY YEAR	OR
	polices/certificates sold in 2010 identify the average annual premium in 2010
2010	

- 5) What percentage of your **Massachusetts** hospital confinement indemnity insurance policies/certificates are single premium or noncancelable?

Year Sold	Percentage
2008	
2009	
2010	

- 6) What percentage of your **Massachusetts** single premium or noncancelable hospital confinement indemnity insurance policies/certificates had claims within the following months of purchase?

	2008	2009	2010
< 12 months			
12 - 24 months			na
none before death of policyholder			

**MASSACHUSETTS DIVISION OF INSURANCE
2010 HOSPITAL CONFINEMENT INDEMNITY INSURANCE QUESTIONNAIRE**

<Insert Company Name here>

*****Please note: If your company is not able to answer any of the questions below, please explain specifically why you cannot do so. In addition, please use this space for further explanation of any answer to any question you deem necessary.*****

MASSACHUSETTS

1) In **Massachusetts**, what **percentage** of group hospital confinement indemnity policies issued in 2010 were sold through entities other than employers or labor unions?

If applicable, please list those other entities (i.e., associations, trusts, student groups, etc.):

2) In **Massachusetts**, what **percentage** of group hospital confinement indemnity policies issued in 2010 were issued through entities (*e.g.*, agents and brokers) that receive a commission or other remuneration for selling insurance?

3) In **Massachusetts**, what **percentage** of group hospital confinement indemnity policies issued in 2010 have a group conversion option for individuals when they leave the group?

4) In **Massachusetts**, what **percentage** of group hospital confinement indemnity policies issued in 2010 contain a reinstatement provision?

5) What are the terms of the reinstatement provision?

6) What **percentage** of group hospital confinement indemnity policies issued in **Massachusetts** in 2010 allow for post-claims underwriting?

7) What **percentage** of group hospital confinement indemnity policies issued in **Massachusetts** in 2010 have the following employer/union and employee contributions towards premium?

Employee pays all of premium
Employer/union pay all premium
Premium sharing arrangement

8) What is the **average percentage** of the total premium, for group hospital confinement indemnity policies issued in **Massachusetts** in 2010, that is paid by the employer and the percentage that is paid by the employee?

paid by employer
paid by employee

APPENDIX D – LIST OF CARRIERS RESPONDING TO THE SURVEY

INDIVIDUAL SURVEY

American Family Life Assurance Company of Columbus
American Family Life Assurance Co. of New York
American Income Life Insurance Company
Bankers Life and Casualty Company
Colonial Life and Accident Insurance Company
Combined Insurance Company of America
Guarantee Trust Life Insurance Company
Monumental Life Insurance Company
Mutual of Omaha Insurance Company
National Union Fire Insurance Company of Pittsburgh, Pa.
Paul Revere Life Insurance Company
Physicians Mutual Insurance Company
Transamerica Life Insurance Company
Transamerica Financial Life Insurance Company
United Teacher Associates Insurance Company

GROUP SURVEY

American Heritage Life Insurance Company
American General Assurance Company
American General Life Insurance Company of Delaware
AMEX Assurance Company
Colonial Life and Accident Insurance Company
Combined Insurance Company of America
Companion Life Insurance Company
Continental American Insurance Company
Kanawha Insurance Company
National Union Fire Insurance Company of Pittsburgh, Pa.
Nationwide Life Insurance Company
Symetra Life Insurance Company
Transamerica Life Insurance Company
United States Life Insurance Company in the City of New York