



General Assembly

Amendment

February Session, 2014

LCO No. 3509

SB0000903509SD0

Offered by:

SEN. CRISCO, 17th Dist.

SEN. KELLY, 21st Dist.

To: Senate Bill No. 9

File No. 6

Cal. No. 42

"AN ACT REQUIRING CERTAIN DISCLOSURES FOR LONG-TERM CARE INSURANCE POLICIES."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subsection (c) of section 38a-501 of the 2014 supplement
4 to the general statutes is repealed and the following is substituted in
5 lieu thereof (*Effective January 1, 2015*):

6 (c) (1) No such company, society, corporation or center may deliver
7 or issue for delivery any long-term care policy without providing, at
8 the time of solicitation or application for purchase or sale of such
9 coverage, full and fair written disclosure of the benefits and limitations
10 of the policy.

11 (2) (A) The applicant shall sign an acknowledgment at the time of
12 application for such policy that the company, society, corporation or
13 center has provided the written disclosure required under this

14 subsection to the applicant. If the method of application does not allow
15 for such signature at the time of application, the applicant shall sign
16 such acknowledgment not later than at the time of delivery of such
17 policy.

18 (B) Except for a long-term care policy for which no applicable
19 premium rate revision or rate schedule increases can be made or as
20 otherwise provided in subdivision (3) of this subsection, such
21 disclosure shall include:

22 (i) A statement that the policy may be subject to rate increases in the
23 future;

24 (ii) An explanation of potential future premium rate revisions and
25 the policyholder's option in the event of a premium rate revision;

26 (iii) The premium rate or rate schedule applicable to the applicant
27 that will be in effect until such company, society, corporation or center
28 files a request with the Insurance Commissioner for a revision to such
29 premium rate or rate schedule;

30 (iv) An explanation of how a premium rate or rate schedule revision
31 will be applied that includes a description of when such rate or rate
32 schedule revision will be effective; and

33 (v) Information regarding each premium rate increase, if any, over
34 the past ten years on such policy form or similar policy forms for this
35 state or any other state, that identifies, at a minimum, (I) the policy
36 forms for which premium rates have been increased, (II) the calendar
37 years when each such policy form was available for purchase, and (III)
38 the amount or percentage of each increase. The percentage may be
39 expressed as a percentage of the premium rate prior to the increase or
40 as minimum and maximum percentages if the rate increase is variable
41 by rating characteristics.

42 (C) The company, society, corporation or center may provide, in a
43 fair manner, any additional explanatory information related to a

44 premium rate or rate schedule revision.

45 (3) (A) Any such company, society, corporation or center may
46 exclude from the disclosure required under subparagraph (B) of
47 subdivision (2) of this subsection premium rate increases that only
48 apply to blocks of business or long-term care policies acquired from a
49 nonaffiliated company, society, corporation or center and that
50 occurred prior to the acquisition.

51 (B) If an acquiring company, society, corporation or center files a
52 request for a premium rate increase on or before January 1, 2015, or the
53 end of a twenty-four-month period after the acquisition, whichever is
54 later, for a block of policy forms or long-term care policies acquired
55 from a nonaffiliated company, society, corporation or center, such
56 acquiring company, society, corporation or center may exclude from
57 the disclosure required under subparagraph (B) of subdivision (2) of
58 this subsection such premium rate increase, except that the
59 nonaffiliated company, society, corporation or center selling such
60 block of policy forms or long-term care policies shall include such
61 premium rate increase in such disclosure.

62 (C) If an acquiring company, society, corporation or center under
63 subparagraph (B) of this subdivision files a subsequent request, even
64 within the twenty-four-month period specified in said subparagraph,
65 for a premium rate increase on the same block of policy forms or long-
66 term care policies set forth in said subparagraph, the acquiring
67 company, society, corporation or center shall include in the disclosure
68 required under subparagraph (B) of subdivision (2) of this subsection
69 such premium rate increase and any premium rate increase filed and
70 approved pursuant to subparagraph (B) of this subdivision.

71 (4) If the offering for any long-term care policy includes an option
72 for the elimination period specified in subdivision (1) of subsection (a)
73 of this section, the application form for such policy and the face page
74 of such policy shall contain a clear and conspicuous disclosure that the
75 irrevocable trust may not be sufficient to cover all costs during the

76 elimination period.

77 Sec. 2. Subsection (c) of section 38a-528 of the 2014 supplement to
78 the general statutes is repealed and the following is substituted in lieu
79 thereof (*Effective January 1, 2015*):

80 (c) (1) No such company, society, corporation or center may deliver
81 or issue for delivery any long-term care policy without providing, at
82 the time of solicitation or application for purchase or sale of such
83 coverage, full and fair written disclosure of the benefits and limitations
84 of the policy. The provisions of this subsection shall not be applicable
85 to [:(1) Any long-term care policy which is delivered or issued for
86 delivery to one or more employers or labor organizations, or to a trust
87 or to the trustees of a fund established by one or more employers or
88 labor organizations, or a combination thereof, for employees or former
89 employees or a combination thereof or for members or former
90 members or a combination thereof, or the labor organizations; and (2)]
91 noncontributory plans.

92 (2) (A) The applicant shall sign an acknowledgment at the time of
93 application for such policy that the company, society, corporation or
94 center has provided the written disclosure required under this
95 subsection to the applicant. If the method of application does not allow
96 for such signature at the time of application, the applicant shall sign
97 such acknowledgment not later than at the time of delivery of such
98 policy.

99 (B) The policyholder shall provide a copy of such disclosure to each
100 eligible individual.

101 (3) (A) Except for a long-term care policy for which no applicable
102 premium rate revision or rate schedule increases can be made or as
103 otherwise provided in subdivision (4) of this subsection, such
104 disclosure shall include:

105 (i) A statement that the policy may be subject to rate increases in the
106 future;

107 (ii) An explanation of potential future premium rate revisions and
108 the policyholder's or certificate holder's option in the event of a
109 premium rate revision;

110 (iii) The premium rate or rate schedule applicable to the applicant
111 that will be in effect until such company, society, corporation or center
112 files a request with the Insurance Commissioner for a revision to such
113 premium rate or rate schedule;

114 (iv) An explanation of how a premium rate or rate schedule revision
115 will be applied that includes a description of when such rate or rate
116 schedule revision will be effective; and

117 (v) Information regarding each premium rate increase, if any, over
118 the past ten years on such policy form or similar policy forms for this
119 state or any other state, that identifies, at a minimum, (I) the policy
120 forms for which premium rates have been increased, (II) the calendar
121 years when each such policy form was available for purchase, and (III)
122 the amount or percentage of each increase. The percentage may be
123 expressed as a percentage of the premium rate prior to the increase or
124 as minimum and maximum percentages if the rate increase is variable
125 by rating characteristics.

126 (B) The company, society, corporation or center may provide, in a
127 fair manner, any additional explanatory information related to a
128 premium rate or rate schedule revision.

129 (4) (A) Any such company, society, corporation or center may
130 exclude from the disclosure required under subdivision (3) of this
131 subsection premium rate increases that only apply to blocks of
132 business or long-term care policies acquired from a nonaffiliated
133 company, society, corporation or center and that occurred prior to the
134 acquisition.

135 (B) If an acquiring company, society, corporation or center files a
136 request for a premium rate increase on or before January 1, 2015, or the
137 end of a twenty-four-month period after the acquisition, whichever is

138 later, for a block of policy forms or long-term care policies acquired
 139 from a nonaffiliated company, society, corporation or center such
 140 acquiring company, society, corporation or center may exclude from
 141 the disclosure required under subdivision (3) of this subsection such
 142 premium rate increase, except that the nonaffiliated company, society,
 143 corporation or center selling such block of policy forms or long-term
 144 care policies shall include such premium rate increase in such
 145 disclosure.

146 (C) If an acquiring company, society, corporation or center under
 147 subparagraph (B) of this subdivision files a subsequent request, even
 148 within the twenty-four-month period specified in said subparagraph,
 149 for a premium rate increase on the same block of policy forms or long-
 150 term care policies set forth in said subparagraph, the acquiring
 151 company, society, corporation or center shall include in the disclosure
 152 required under subdivision (3) of this subsection such premium rate
 153 increase and any premium rate increase filed and approved pursuant
 154 to subparagraph (B) of this subdivision."

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2015	38a-501(c)
Sec. 2	January 1, 2015	38a-528(c)