



General Assembly

January Session, 2013

Raised Bill No. 6321

LCO No. 2570

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Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

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

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 38a-501 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2013*):

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

9 (A) Such disclosure shall include:

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

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

14 (iii) The premium rate or rate schedule applicable to the applicant
15 that will be in effect until a request is made by such company, society,
16 corporation or center for a revision to such rate or rate schedule;

17 (iv) An explanation of how a premium rate or rate schedule revision
18 will be applied that includes a description of when such rate or rate
19 schedule revision will be effective and the policyholder's right to such
20 revised rate or rate schedule; and

21 (v) Information regarding each premium rate increase, if any, over
22 the past ten years on such policy form or similar policy forms for this
23 state or any other state, that identifies, at a minimum, (I) the policy
24 forms for which premium rates have been increased, (II) the calendar
25 years when each such policy form was available for purchase, and (III)
26 the amount or percentage of each increase. The percentage may be
27 expressed as a percentage of the premium rate prior to the increase or
28 as minimum and maximum percentages if the rate increase is variable
29 by rating characteristics.

30 (B) The applicant shall sign an acknowledgment at the time of
31 application for such policy that the company, society, corporation or
32 center has provided the written disclosure required under this
33 subsection to the applicant. If the method of application does not allow
34 for such signature at the time of application, the applicant shall sign
35 such acknowledgment not later than at the time of delivery of such
36 policy.

37 (2) If the offering for any long-term care policy includes an option
38 for the elimination period specified in subdivision (1) of subsection (a)
39 of this section, the application form for such policy and the face page
40 of such policy shall contain a clear and conspicuous disclosure that the
41 irrevocable trust may not be sufficient to cover all costs during the
42 elimination period.

43 Sec. 2. Subsection (c) of section 38a-528 of the general statutes is
44 repealed and the following is substituted in lieu thereof (*Effective*

45 October 1, 2013):

46 (c) No such company, society, corporation or center may deliver or
47 issue for delivery any long-term care policy without providing, at the
48 time of solicitation or application for purchase or sale of such coverage,
49 full and fair disclosure of the benefits and limitations of the policy.
50 [The provisions of this subsection shall not be applicable to: (1) Any
51 long-term care policy which is delivered or issued for delivery to one
52 or more employers or labor organizations, or to a trust or to the
53 trustees of a fund established by one or more employers or labor
54 organizations, or a combination thereof, for employees or former
55 employees or a combination thereof or for members or former
56 members or a combination thereof, or the labor organizations; and (2)
57 noncontributory plans.]

58 (1) Such disclosure shall include:

59 (A) A statement that the policy may be subject to rate increases in
60 the future;

61 (B) An explanation of potential future premium rate revisions and
62 the policyholder's or certificate holder's option in the event of a
63 premium rate revision;

64 (C) The premium rate or rate schedule applicable to the applicant
65 that will be in effect until a request is made by such company, society,
66 corporation or center for a revision to such rate or rate schedule;

67 (D) An explanation of how a premium rate or rate schedule revision
68 will be applied that includes a description of when such rate or rate
69 schedule revision will be effective and the policyholder's right to such
70 revised rate or rate schedule; and

71 (E) Information regarding each premium rate increase, if any, over
72 the past ten years on such policy form or similar policy forms for this
73 state or any other state, that identifies, at a minimum (I) the policy

74 forms for which premium rates have been increased, (II) the calendar
75 years when each such policy form was available for purchase, and (III)
76 the amount or percentage of each increase. The percentage may be
77 expressed as a percentage of the premium rate prior to the increase or
78 as minimum and maximum percentages if the rate increase is variable
79 by rating characteristics.

80 (2) The applicant shall sign an acknowledgment at the time of
81 application for such policy that the company, society, corporation or
82 center has provided the written disclosure required under this
83 subsection to the applicant. If the method of application does not allow
84 for such signature at the time of application, the applicant shall sign
85 such acknowledgment not later than at the time of delivery of such
86 policy.

87 (3) The policyholder shall provide to each eligible individual a copy
88 of the disclosure.

89 Sec. 3. Section 38a-458 of the general statutes is amended by adding
90 subsection (e) as follows (*Effective October 1, 2013*):

91 (NEW) (e) Any life insurance policy with long-term care benefits
92 issued pursuant to this section shall comply with the disclosure
93 requirements set forth in subdivision (1) of subsection (c) of section
94 38a-501, as amended by this act, or subsection (c) of section 38a-528, as
95 amended by this act, as applicable.

96 Sec. 4. Section 38a-458a of the general statutes is repealed and the
97 following is substituted in lieu thereof (*Effective October 1, 2013*):

98 (a) Notwithstanding the provisions of sections 38a-430, 38a-481 and
99 38a-501, as amended by this act, or any regulation adopted pursuant to
100 said sections, an insurer licensed for both life and health insurance in
101 this state may combine the following coverages, by rider or otherwise,
102 within a single-premium policy or contract: (1) Life or endowment
103 insurance or annuity, survivorship annuity or pure endowment

104 insurance; and (2) long-term care insurance.

105 (b) Any insurer that combines long-term care insurance coverage
106 with other coverages, as set forth in subsection (a) of this section, shall
107 comply with the disclosure requirements set forth in subdivision (1) of
108 subsection (c) of section 38a-501, as amended by this act, or subsection
109 (c) of section 38a-528, as amended by this act, as applicable.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2013	38a-501(c)
Sec. 2	October 1, 2013	38a-528(c)
Sec. 3	October 1, 2013	38a-458
Sec. 4	October 1, 2013	38a-458a

Statement of Purpose:

To require insurers to provide certain disclosures at the time of solicitation or application for purchase or sale of a long-term care policy.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]