

HB 1095 -- Long-Term Care Insurance Rates

Sponsor: Wieland

This bill prohibits a licensed insurance company from issuing any policy or certificate of long-term care insurance unless the classification of risks and the premium rates pertaining to the policy or certificate have been filed with and approved by the Director of the Department of Insurance, Financial Institutions and Professional Registration. Long-term care insurance rates cannot be excessive, inadequate, or unfairly discriminatory and cannot increase by more than 15% per year unless the insurer can clearly document a material and significant change in the risk characteristics of all its in force long-term care insurance policies or certificates. Rates must be determined by:

- (1) Past and prospective loss experience and expenses;
- (2) Adequate contingency reserves; and
- (3) All other relevant factors within and without the state.

The department director must approve or disapprove a rate filing within 45 days after being submitted. If the department director takes no action within the 45 days, the rate filing will be deemed as approved until the department director notifies the company of a disapproval. A rate filing disapproval must be submitted in writing to the company stating the reasons for the disapproval and that a public hearing, if requested, will be granted.