

MEMORANDUM

TO: All House Members

FROM: Representative Phyllis Mundy

DATE: January 6, 2011

SUBJECT: Reintroduction of Legislation – Consumer Protections for Long-Term Care Insurance Policies (*Formerly HB 2538 of the 2009-2010 Legislative Session*)

In the near future, I will be reintroducing legislation to protect consumers of long-term care insurance in the Commonwealth – both in terms of the premiums they pay as well as the benefits they receive.

My legislation, which is based upon the National Association of Insurance Commissioner’s (NAIC) model long-term care insurance law, would:

1. Prohibit long-term care insurance companies from setting premium rates based solely on the age of the insured or duration of the policy;
2. Ensure a certain level of benefits are available to policyholders even when rate increases no longer make the product affordable; and
3. Prohibit practices that unfairly induce policyholders to purchase coverage that will significantly increase in cost in the short term.

With the high costs of long-term care, many insurance companies are marketing long-term care insurance as an attractive option for individuals to purchase. However, this is still a relatively unknown insurance product, and we must make sure that our laws adequately protect the consuming public.

PRIOR CO-SPONSORS:

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If you would like to co-sponsor this important bill, please contact Kris Bernard in my Harrisburg office at 783-1614 or kbernard@pahouse.net.