

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1075 Session of
2004

INTRODUCED BY STACK, KUKOVICH, MUSTO, TARTAGLIONE, LOGAN, COSTA,
FERLO, O'PAKE, BOSCOLA, RAFFERTY, KASUNIC AND C. WILLIAMS,
MARCH 25, 2004

REFERRED TO BANKING AND INSURANCE, MARCH 25, 2004

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An
2 act relating to insurance; amending, revising, and
3 consolidating the law providing for the incorporation of
4 insurance companies, and the regulation, supervision, and
5 protection of home and foreign insurance companies, Lloyds
6 associations, reciprocal and inter-insurance exchanges, and
7 fire insurance rating bureaus, and the regulation and
8 supervision of insurance carried by such companies,
9 associations, and exchanges, including insurance carried by
10 the State Workmen's Insurance Fund; providing penalties; and
11 repealing existing laws," imposing limitations on renewal
12 premium rates for long-term care insurance.

13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. The act of May 17, 1921 (P.L.682, No.284), known
16 as The Insurance Company Law of 1921, is amended by adding a
17 section to read:

18 Section 1113.1. Limitation on Renewal Premium Rates.--(a)
19 Except as otherwise provided in subsection (b), an insurer may
20 not charge a renewal premium rate for a long-term care insurance
21 policy which exceeds by more than fifteen per centum (15%) any
22 premium charged for the policy in the preceding twelve months.

1 (b) With the approval of the commissioner, an insurer may
2 charge a renewal premium exceeding a fifteen per centum (15%)
3 increase upon a showing that a larger increase is necessary
4 because of utilization of policy benefits greatly in excess of
5 the expected rate.

6 Section 2. This act shall take effect in 60 days.