

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 599 Session of 2019

INTRODUCED BY DeLUCA, YOUNGBLOOD, KINSEY, CALTAGIRONE, READSHAW, MURT, BOBACK, HARKINS, DAVIDSON, FREEMAN, KORTZ, HILL-EVANS, McCLINTON AND NEILSON, MARCH 1, 2019

REFERRED TO COMMITTEE ON INSURANCE, MARCH 1, 2019

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," in long-term care, further
 12 providing for disclosure and performance standards for long-
 13 term care insurance.

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

16 Section 1. Section 1105 of the act of May 17, 1921 (P.L.682,
 17 No.284), known as The Insurance Company Law of 1921, is amended
 18 by adding a subsection to read:

19 Section 1105. Disclosure and Performance Standards for Long-
 20 term Care Insurance.--* * *

21 (d) The issuer of a long-term care insurance policy that
 22 files with the department for a rate increase shall, at the time
 23 of submission of the filing to the department, send notice to

1 each policyholder who may be subject to the proposed rate
2 increase. The notice may be sent by mail or electronically, as
3 the policyholder has designated. The notice shall, in language
4 suitable for consumers:

5 (1) Inform the policyholder of the opportunity to provide
6 comments to the department concerning the filing during the
7 department's review period in accordance with section 303 of the
8 act of December 18, 1996 (P.L.1066, No.159), known as the
9 "Accident and Health Filing Reform Act." Policyholders shall
10 have not less than thirty (30) days in which to comment.

11 (2) Provide an explanation of the requested rate increase,
12 which includes the following:

13 (i) An explanation of the most significant factors causing
14 the rate increase.

15 (ii) Information on the following:

16 (A) Historical and projected claims experience.

17 (B) Trend projections related to utilization and service or
18 unit cost.

19 (C) Allocation of the overall rate increase to claims and
20 nonclaims costs.

21 (D) Per enrollee per month allocation of current and
22 projected premiums.

23 (E) A ten-year history of rate increases for the product.

24 Section 2. This act shall take effect in 180 days.