

SECOND REGULAR SESSION

SENATE BILL NO. 1067

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SIFTON.

Read 1st time February 27, 2020, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5725S.011

AN ACT

To repeal section 376.1109, RSMo, and to enact in lieu thereof one new section relating to long-term care insurance.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 376.1109, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 376.1109, to read as follows:

376.1109. 1. The director may adopt regulations that include standards
2 for full and fair disclosure setting forth the manner, content and required
3 disclosures for the sale of long-term care insurance policies, terms of renewability,
4 initial and subsequent conditions of eligibility, nonduplication of coverage
5 provisions, coverage of dependents, preexisting conditions, termination of
6 insurance, continuation or conversion, probationary periods, limitations,
7 exceptions, reductions, elimination periods, requirements for replacement,
8 recurrent conditions and definitions of terms. Regulations adopted pursuant to
9 sections 376.1100 to 376.1130 shall be in accordance with the provisions of
10 chapter 536.

11 2. No long-term care insurance policy may:

12 (1) Be cancelled, nonrenewed or otherwise terminated on the grounds of
13 the age or the deterioration of the mental or physical health of the insured
14 individual or certificate holder; or

15 (2) Contain a provision establishing a new waiting period in the event
16 existing coverage is converted to or replaced by a new or other form within the
17 same company, except with respect to an increase in benefits voluntarily selected
18 by the insured individual or group policyholder; or

19 (3) Provide coverage for skilled nursing care only or provide significantly
20 more coverage for skilled care in a facility than for lower levels of care.

21 3. No long-term care insurance policy or certificate other than a policy or
22 certificate thereunder issued to a group as defined in paragraph (a) of subdivision
23 (4) of subsection 2 of section 376.1100:

24 (1) Shall use a definition of preexisting condition which is more restrictive
25 than the following: "Preexisting condition" means a condition for which medical
26 advice or treatment was recommended by, or received from, a provider of health
27 care services, within six months preceding the effective date of coverage of an
28 insured person;

29 (2) May exclude coverage for a loss or confinement which is the result of
30 a preexisting condition unless such loss or confinement begins within six months
31 following the effective date of coverage of an insured person.

32 4. The director may extend the limitation periods set forth in subdivisions
33 (1) and (2) of subsection 3 of this section as to specific age group categories in
34 specific policy forms upon findings that the extension is in the best interest of the
35 public.

36 5. The definition of preexisting condition provided in subsection 3 of this
37 section does not prohibit an insurer from using an application form designed to
38 elicit the complete health history of an applicant, and, on the basis of the answers
39 on that application, from underwriting in accordance with that insurer's
40 established underwriting standards. Unless otherwise provided in the policy or
41 certificate, a preexisting condition, regardless of whether it is disclosed on the
42 application, need not be covered until the waiting period described in subdivision
43 (2) of subsection 3 of this section expires. No long-term care insurance policy or
44 certificate may exclude or use waivers or riders of any kind to exclude, limit or
45 reduce coverage or benefits for specifically named or described preexisting
46 diseases or physical conditions beyond the waiting period described in subdivision
47 (2) of subsection 3 of this section.

48 6. No long-term care insurance policy may be delivered or issued for
49 delivery in this state if such policy:

50 (1) Conditions eligibility for any benefits on a prior hospitalization
51 requirement; or

52 (2) Conditions eligibility for benefits provided in an institutional care
53 setting on the receipt of a higher level of institutional care; or

54 (3) Conditions eligibility for any benefits other than waiver of premium,
55 post-confinement, post-acute care or recuperative benefits on a prior
56 institutionalization requirement.

57 7. A long-term care insurance policy containing post-confinement,
58 post-acute care or recuperative benefits shall clearly label in a separate
59 paragraph of the policy or certificate entitled "Limitations or Conditions on
60 Eligibility for Benefits" such limitations or conditions, including any required
61 number of days of confinement.

62 8. A long-term care insurance policy or rider which conditions eligibility
63 of noninstitutional benefits on the prior receipt of institutional care shall not
64 require a prior institutional stay of more than thirty days.

65 9. No long-term care insurance policy or rider which provides benefits only
66 following institutionalization shall condition such benefits upon admission to a
67 facility for the same or related conditions within a period of less than thirty days
68 after discharge from the institution.

69 10. The director may adopt regulations establishing loss ratio standards
70 for long-term care insurance policies provided that a specific reference to
71 long-term care insurance policies is contained in the regulation.

72 11. Long-term care insurance applicants shall have the right to return the
73 policy or certificate within thirty days of its delivery and to have the premium
74 refunded if, after examination of the policy or certificate, the applicant is not
75 satisfied for any reason. Long-term care insurance policies and certificates shall
76 have a notice prominently printed on the first page or attached thereto stating
77 in substance that the applicant shall have the right to return the policy or
78 certificate within thirty days of its delivery and to have the premium refunded
79 if, after examination of the policy or certificate, other than a certificate issued
80 pursuant to a policy issued to a group defined in paragraph (a) of subdivision (4)
81 of subsection 2 of section 376.1100, the applicant is not satisfied for any
82 reason. This subsection shall also apply to denials of applications and any refund
83 must be made within thirty days of the return or denial.

84 12. (1) If a long-term care insurance policy issued, delivered, or renewed
85 in this state on or after January 1, 2011, is cancelled for any reason, the insurer
86 shall refund the unearned portion of any premium paid beyond the month in
87 which the cancellation is effective. Any refund shall be returned to the
88 policyholder within twenty days from the date the insurer receives notice of the
89 cancellation. Long-term care insurance policies and certificates shall have a
90 notice prominently printed on the first page or attached thereto stating in
91 substance that the applicant shall be entitled to a refund of the unearned
92 premium if the policy is cancelled for any reason.

93 (2) The policyholder may notify the insurer of cancellation of such
94 long-term care insurance policy at any time by sending written or electronic
95 notification.

96 **13. No long-term care insurance policy shall increase premium**
97 **rates in excess of the percentage change in the Consumer Price Index**
98 **for All Urban Consumers or its successor index, as published by the**
99 **federal Bureau of Labor statistics or its successor agency, plus five**
100 **percent annually.**

Unofficial ✓

Bill

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