

HOUSE BILL NO. 1013

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Commerce and Energy

on _____)

(Patron Prior to Substitute--Delegate Tran)

A BILL to amend the Code of Virginia by adding a section numbered 38.2-5206.1, relating to long-term care insurance; rate increases; notice requirements.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 38.2-5206.1 as follows:

§ 38.2-5206.1. Rate increases; notice requirements.

A. Within 60 days of filing for a rate increase with the Commission, an insurer offering long-term care insurance policies in the Commonwealth shall issue a written notice to each policyholder that the insurer has filed for a rate increase. Such notice shall include the following:

1. The reasoning for which the insurer is requesting a rate increase;

2. The amount of rate increase requested and the anticipated increase, expressed as a percentage and dollar amount, in the current premium of the policyholder;

3. Directions on how to obtain information about the Commission's review of the rate case via the Commission's website;

4. Contact information for the Commission;

5. Directions on how to submit comments to the Commission, including all available options via phone, website, and mail;

6. Information on how to contact the insurer for more information; and

7. A disclaimer that the notice provides information on a proposed rate increase and that the insurer will notify the policyholder upon a final decision by the Commission regarding the proposed rate increase.

25 B. Upon receiving a final decision from the Commission on a proposed rate increase, an insurer
26 subject to the provisions of this chapter shall notify each policyholder of the Commission's final decision
27 to approve or deny a rate increase.

28 C. At least 90 days before the effective date of any approved rate increase, an insurer subject to
29 the provisions of this chapter shall issue a separate written notice to each policyholder of the final decision
30 by the Commission to approve a rate increase. Such notice shall include the following:

- 31 1. Information related to why the policyholder will incur a rate increase;
- 32 2. The total change to the policyholder's plan, including any total increase in premiums, expressed
33 as a percentage and dollar amount of the current premium, and any changes in benefits. For phased-in
34 increases, the notice shall include information about phase-in dates with corresponding premium amounts
35 and plan options available to the policyholder, including information on how to select a plan option not
36 subject to the rate increase; and
- 37 3. The insurer's contact information.

38 D. The notices required by subsections A and C shall use an easy-to-read font and plain language,
39 present options fairly, and include appropriate definitions, disclosures, visualization tools, and referrals to
40 external resources. Such notices shall include directions on how to access information on the
41 Commission's website, how to contact the insurance company to discuss changes in the policy, and how
42 to access information about the Virginia Insurance Counseling and Assistance Program administered by
43 the Department of Aging and Rehabilitative Services.

44 E. In reviewing requests to increase long-term care insurance rates, the Commission shall, to the
45 extent practicable, consider how the rate increase will impact policyholders.

46 F. No rate increase approved by the Commission pursuant to this section shall, to the extent
47 practicable, be used to (i) pay for losses previously incurred by the insurer or its shareholders or (ii) pay
48 shareholder dividends.

49 G. The Commission is authorized to promulgate regulations as necessary to implement the
50 provisions of this section and develop additional guidance regarding the notices required by this section.

51 #