

FIRST REGULAR SESSION

SENATE BILL NO. 323

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

0614S.02I

KRISTINA MARTIN, Secretary

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Section A. Section 376.1109, RSMo, is repealed and one
2 new section enacted in lieu thereof, to be known as section
3 376.1109, to read as follows:

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

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

15 (1) Be cancelled, nonrenewed or otherwise terminated
16 on the grounds of the age or the deterioration of the mental
17 or physical health of the insured individual or certificate
18 holder; or

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

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

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

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

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

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

46 5. The definition of preexisting condition provided in
47 subsection 3 of this section does not prohibit an insurer
48 from using an application form designed to elicit the
49 complete health history of an applicant, and, on the basis
50 of the answers on that application, from underwriting in

51 accordance with that insurer's established underwriting
52 standards. Unless otherwise provided in the policy or
53 certificate, a preexisting condition, regardless of whether
54 it is disclosed on the application, need not be covered
55 until the waiting period described in subdivision (2) of
56 subsection 3 of this section expires. No long-term care
57 insurance policy or certificate may exclude or use waivers
58 or riders of any kind to exclude, limit or reduce coverage
59 or benefits for specifically named or described preexisting
60 diseases or physical conditions beyond the waiting period
61 described in subdivision (2) of subsection 3 of this section.

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

64 (1) Conditions eligibility for any benefits on a prior
65 hospitalization requirement; or

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

69 (3) Conditions eligibility for any benefits other than
70 waiver of premium, post-confinement, post-acute care or
71 recuperative benefits on a prior institutionalization
72 requirement.

73 7. A long-term care insurance policy containing post-
74 confinement, post-acute care or recuperative benefits shall
75 clearly label in a separate paragraph of the policy or
76 certificate entitled "Limitations or Conditions on
77 Eligibility for Benefits" such limitations or conditions,
78 including any required number of days of confinement.

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

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

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

92 11. Long-term care insurance applicants shall have the
93 right to return the policy or certificate within thirty days
94 of its delivery and to have the premium refunded if, after
95 examination of the policy or certificate, the applicant is
96 not satisfied for any reason. Long-term care insurance
97 policies and certificates shall have a notice prominently
98 printed on the first page or attached thereto stating in
99 substance that the applicant shall have the right to return
100 the policy or certificate within thirty days of its delivery
101 and to have the premium refunded if, after examination of
102 the policy or certificate, other than a certificate issued
103 pursuant to a policy issued to a group defined in paragraph
104 (a) of subdivision (4) of subsection 2 of section 376.1100,
105 the applicant is not satisfied for any reason. This
106 subsection shall also apply to denials of applications and
107 any refund must be made within thirty days of the return or
108 denial.

109 12. (1) If a long-term care insurance policy issued,
110 delivered, or renewed in this state on or after January 1,
111 2011, is cancelled for any reason, the insurer shall refund
112 the unearned portion of any premium paid beyond the month in
113 which the cancellation is effective. Any refund shall be
114 returned to the policyholder within twenty days from the

115 date the insurer receives notice of the cancellation. Long-
116 term care insurance policies and certificates shall have a
117 notice prominently printed on the first page or attached
118 thereto stating in substance that the applicant shall be
119 entitled to a refund of the unearned premium if the policy
120 is cancelled for any reason.

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

124 13. No long-term care insurance policy shall increase
125 premium rates, measured annually, in excess of the amount
126 that is actuarially justified based on credible experience,
127 and on the rate basis in effect in this state without
128 recognition of rates that may be in effect in other states.

129 **14. (1) No long-term care insurance policy shall**
130 **charge a premium rate in excess of the premium rate charged**
131 **at the time the policy was issued, adjusted by the Consumer**
132 **Price Index for All Urban Consumers or its successor index,**
133 **as published by the federal Bureau of Labor Statistics or**
134 **its successor agency. Rates charged in excess of the amount**
135 **specified in this subdivision shall be refunded to the**
136 **policyholder within twenty days of the policyholder's**
137 **request, or applied to future premiums, as determined by the**
138 **policyholder.**

139 (2) No long-term care insurance policy shall charge a
140 premium rate in excess of the average premium rate charged
141 for a comparable policy in states sharing a border with this
142 state.

143 (3) This subsection shall apply to long-term care
144 insurance policies issued, delivered, continued, or renewed
145 in this state on or after January 1, 2024.

146 15. (1) In addition to any requirements otherwise
147 required by law, premium rates for long-term care insurance
148 shall be filed with the department of commerce and insurance
149 at least ninety days prior to use. Within thirty days of a
150 premium rate being filed in accordance with this subsection,
151 the department of commerce and insurance shall hold a public
152 hearing in accordance with chapter 610, at which time the
153 premium rate shall be reviewed for compliance with
154 subsections 13 and 14 of this section.

155 (2) The department of commerce and insurance may
156 require insurers to provide information relevant to the
157 review of premium rates submitted in accordance with this
158 subsection.

159 (3) This subsection shall apply to long-term care
160 insurance policies issued, delivered, continued, or renewed
161 in this state on or after January 1, 2024.

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