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Date: (Filing No. H-)

INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 472, L.D. 642, Bill, “An Act To Require Insurance Companies To Reissue Qualifying Long-term Care Partnership Policies”

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 24-A MRSA §5082 is enacted to read:

§5082. Long-term Care Partnership Program; availability of qualified policies

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Eligible policyholder" means:

(1) An individual who holds a qualified individual policy issued before or during the notice period by an insurer that actively markets individual partnership policies in this State on or after the effective date of this section and is not receiving benefits or in a waiting period to receive benefits; or

(2) An employer or other group policyholder that holds a qualified group policy issued before or during the notice period by an insurer that actively markets group partnership policies in this State on or after the effective date of this section.

B. "Long-term Care Partnership Program" means the Long-term Care Partnership Program established in Title 22, section 3174-GG.

C. "Notice period" means the period between July 1, 2004 and the date an insurer begins actively marketing partnership policies in this State.

D. "Partnership policy" means a long-term care insurance policy with an effective date of July 1, 2009 or later that is offered with the intent to meet the requirements of the Long-term Care Partnership Program.

COMMITTEE AMENDMENT

1 E. "Qualified policy" means a long-term care insurance policy that is offered with
2 the intent to meet the requirements of 26 United States Code, Section 7702B(b).

3 **2. Notice.** The following provisions apply to an insurer that actively markets a
4 partnership policy in this State on or after the effective date of this section. With respect
5 to an employer group, an insurer shall provide any notice required under this section to
6 the employer that is the policyholder of a qualified policy.

7 A. An insurer that actively markets partnership policies in this State as of the
8 effective date of this section shall provide notice to an eligible policyholder that
9 purchased a qualified policy during the notice period that the policyholder may be
10 able to participate in the Long-term Care Partnership Program. The insurer shall
11 initiate the exchange process in accordance with subsection 4 within 12 months of the
12 effective date of this section.

13 B. An insurer that begins to actively market partnership policies in this State after the
14 effective date of this section shall provide notice to an eligible policyholder that
15 purchased a qualified policy during the notice period that the policyholder may be
16 able to participate in the Long-term Care Partnership Program. The insurer shall
17 initiate the exchange process in accordance with subsection 4 within 12 months of the
18 date the insurer begins to market partnership policies in this State.

19 **3. Request for review.** In addition to the requirements of subsection 2, at the
20 request of an eligible policyholder of a qualified policy issued prior to the notice period,
21 an insurer that actively markets partnership policies in this State shall review the qualified
22 policy to identify whether the qualified policy meets the requirements of the Long-term
23 Care Partnership Program and take an action described in subsection 4, paragraph A or B.
24 If a request for review under this subsection is made more than 12 months after the
25 effective date of this section, the insurer has no obligation to review the policy.

26 **4. Exchange process.** An insurer that actively markets partnership policies in this
27 State shall identify those qualified policies issued during the notice period that currently
28 meet all the requirements of the Long-term Care Partnership Program as specified in
29 Bureau of Insurance Bulletin 368 dated January 22, 2010 for use with the Long-term Care
30 Partnership Program and those that do not meet all of the requirements and:

31 A. For those qualified policies that currently meet all of the requirements, issue to
32 each policyholder the Important Notice Regarding Your Policy's Long-term Care
33 Insurance Partnership Status, as prescribed in the Appendix of Bureau of Insurance
34 Bulletin 368 dated January 22, 2010, along with a policy amendment reflecting the
35 effective date of the partnership status; and

36 B. For those qualified policies that do not meet all of the requirements, notify each
37 policyholder that the policy may be eligible for an exchange to a partnership policy.
38 The insurer shall also notify the policyholder that the exchange is subject to
39 underwriting and that the premium for the new policy is based on the policyholder's
40 attained age on the date of the exchange. The policyholder has 60 days from the date
41 of the notice to consider this offer. If the policyholder accepts the offer after 60 days,
42 the insurer is not obligated to process an exchange. If the policyholder requests
43 additional coverage, the additional coverage is also subject to underwriting and the

1 premium for the additional coverage must be based on the policyholder's attained age
2 on the date the changes take effect.

3 **5. Individual policyholder no longer receiving benefits.** If an individual
4 policyholder is not an eligible policyholder because the policyholder is receiving benefits
5 or is in a waiting period to receive benefits, that individual policyholder has 12 months
6 from the expiration of any waiting period after which the policyholder does not begin to
7 receive benefits or from the expiration of any period when benefits have ended to request
8 a review by an insurer as otherwise provided under subsection 3.

9 **6. Applicability.** If an insurer does not actively market both individual and group
10 partnership policies in this State, this section applies to that insurer only with respect to
11 the particular market in which the insurer actively markets partnership policies.'

12 SUMMARY

13 This amendment is the majority report of the committee and replaces the bill. The
14 amendment requires an insurer that actively markets long-term care insurance policies
15 that qualify for the Long-term Care Partnership Program pursuant to the Maine Revised
16 Statutes, Title 22, section 3174-GG to provide notice to an individual or employer that
17 purchased a tax-qualified long-term care insurance policy on or after July 1, 2004 but
18 before the date the insurer began actively marketing partnership policies that the
19 individual or employer may be eligible to participate in the Long-term Care Partnership
20 Program. The amendment also requires the insurer to identify whether a policy meets the
21 requirements of the Long-term Care Partnership Program. If a policy meets the
22 requirements, an insurer is required to notify the policyholder and amend the policy's
23 effective date to reflect partnership status. If a policy does not meet all of the
24 requirements, an insurer is required to offer an exchange of the policy and apply its
25 underwriting and rating standards.

26 The amendment also permits a policyholder of a tax-qualified policy purchased prior
27 to July 1, 2004 to request that an insurer review the policy to determine whether the
28 policy meets the requirements of the Long-term Care Partnership Program. If a
29 policyholder makes a request more than 12 months after the effective date of the
30 provision, the insurer is not obligated to review the policy.