

House File 2178 - Introduced

HOUSE FILE _____
BY FORD

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring standardized requirements for long-term care
2 insurance policies advertised, marketed, offered, delivered,
3 or issued for delivery in the state, and providing an
4 applicability date.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 6357HH 82
7 av/rj/14

PAG LIN

1 1 Section 1. Section 514G.7, subsection 1, Code 2007, is
1 2 amended to read as follows:

1 3 1. RULES.

1 4 a. The commissioner shall adopt rules establishing
1 5 standard provisions for terms and benefits required to be
1 6 included in a long-term care insurance policy advertised,
1 7 marketed, offered, delivered, or issued for delivery in this
1 8 state. The rules shall establish a standard format for such
1 9 long-term care insurance policies to facilitate ease of
1 10 comparison of the various policies by consumers.

1 11 b. The commissioner ~~may~~ shall adopt rules for full and
1 12 fair disclosure of the terms and benefits of a long-term care
1 13 insurance policy, including but not limited to rules setting
1 14 forth the manner, content, and required disclosures for the
1 15 sale of long-term care insurance policies, terms of
1 16 renewability, initial and subsequent conditions of
1 17 eligibility, nonduplication of coverage provisions, coverage
1 18 of dependents, preexisting conditions, termination of
1 19 insurance, probationary periods, limitations, exceptions,
1 20 reductions, elimination periods, requirements for replacement,
1 21 recurrent conditions, and definitions of terms.

1 22 Sec. 2. Section 514G.10, Code 2007, is amended to read as
1 23 follows:

1 24 514G.10 LONG-TERM CARE CONSUMER GUIDE.

1 25 An insurer offering a long-term care insurance policy to
1 26 any person shall provide to the applicant the current
1 27 long-term care insurance consumer guide prescribed by the
1 28 insurance division of the department of commerce. The
1 29 long-term care insurance guide prescribed by the insurance
1 30 division shall include a description of the standard terms and
1 31 benefits required to be included and the standard format
1 32 required to be used in such a long-term care insurance policy
1 33 in this state. The commissioner of insurance may by reference
1 34 adopt or permit the use of the long-term care insurance
1 35 consumer guide developed by the national association of
2 1 insurance commissioners, the blue cross and blue shield
2 2 association, or the health insurance association of America,
2 3 if the consumer guide that is adopted or permitted to be used
2 4 by reference meets all the requirements of this section.

2 5 Delivery of the long-term care insurance consumer guide shall
2 6 be made if a policy is advertised, solicited, or issued as a
2 7 policy as defined in this chapter, or if it is subject to this
2 8 chapter, regardless of the label applied by the insurer.
2 9 Except in the case of direct response insurers, delivery of
2 10 the long-term care insurance consumer guide shall be made to
2 11 the applicant at the time of application, and acknowledgment
2 12 of receipt of the long-term care insurance consumer guide
2 13 shall be obtained by the insurer. A direct response insurer
2 14 shall deliver the long-term care insurance consumer guide to
2 15 the applicant at the time the policy is delivered. An
2 16 insurance company required to distribute the guide shall
2 17 reimburse the state for all costs associated with the guide.

2 18 Sec. 3. APPLICABILITY. This bill applies to long-term

2 19 care insurance policies advertised, marketed, offered,
2 20 delivered, or issued for delivery in this state on or after
2 21 July 1, 2008.

2 22 EXPLANATION

2 23 This bill establishes standardized requirements for
2 24 long-term care insurance policies advertised, marketed,
2 25 offered, delivered, or issued for delivery in the state.

2 26 The bill amends Code section 514G.7 to require the
2 27 commissioner of insurance to adopt rules establishing standard
2 28 provisions for terms and benefits that must be included in a
2 29 long-term care insurance policy advertised, marketed, offered,
2 30 delivered, or issued for delivery in this state. The
2 31 commissioner is also required to adopt rules that establish a
2 32 standard format for such policies to facilitate ease of
2 33 comparison of the various policies by consumers.

2 34 The bill amends Code section 514G.10 to require that the
2 35 long-term care insurance consumer guide prescribed by the
3 1 insurance division of the department of commerce must include
3 2 a description of the standard terms and benefits, and format
3 3 that are required to be included or used in long-term care
3 4 insurance policies in Iowa. A provision allowing the
3 5 commissioner of insurance to by reference adopt or permit the
3 6 use of long-term care insurance consumer guides prepared by
3 7 other specified entities is amended to allow such adoption or
3 8 use by reference only if the consumer guide meets all the
3 9 requirements of the Code section.

3 10 The bill is applicable to long-term care insurance policies
3 11 advertised, marketed, offered, delivered, or issued for
3 12 delivery on or after July 1, 2008.

3 13 LSB 6357HH 82

3 14 av/rj/14