

SENATE BILL REPORT

SSB 6421

AS PASSED SENATE, FEBRUARY 11, 1994

Brief Description: Requiring standards for long-term care insurance.

SPONSORS: Senate Committee on Health & Human Services (originally sponsored by Senators Moyer, Wojahn, Winsley, Pelz, Haugen, Loveland, Hochstatter, M. Rasmussen, Morton, Prentice, Prince, Sheldon, Quigley, Deccio, L. Smith, Bluechel, Sellar and Oke)

SENATE COMMITTEE ON HEALTH & HUMAN SERVICES

Majority Report: That Substitute Senate Bill No. 6421 be substituted therefor, and the substitute bill do pass.

Signed by Senators Talmadge, Chairman; Wojahn, Vice Chairman; Deccio, Erwin, Franklin, Fraser, Hargrove, McAuliffe, McDonald, Moyer, Niemi, Prentice, L. Smith and Winsley.

Staff: Joanne Conrad (786-7472)

Hearing Dates: February 1, 1994

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

BACKGROUND:

Long-term care costs are a significant matter of concern to many older Washingtonians, and others at-risk of the need for skilled nursing facilities. One method of protection against the financial risk of long-term care, which is not covered by Medicare, is to purchase private insurance.

Yet, despite the existing provisions of the state's Long-Term Care Insurance Act, many long-term care policies are perceived as being difficult to understand. Persons seeking to be well-informed consumers want clearer, more consistent information in the marketing and sale of long-term care insurance products.

SUMMARY:

The Insurance Commissioner reviews, with public input, the minimum standards in rule for long-term care insurance. The Governor seeks federal enactment of favorable tax treatment for long-term care insurance premiums.

Sanctions for unfair and deceptive marketing practices are established by rule.

Appropriation: none

Revenue: none

Fiscal Note: requested on January 10, 1994

TESTIMONY FOR:

Long-term care insurance is of great concern to many older persons. Lack of clarity in the marketing of policies continues to present problems to consumers.

TESTIMONY AGAINST:

Changes in minimum standards should be reviewed, with input from public and industry, rather than mandated.

TESTIFIED: PRO: Senator John Moyer; Evan Iverson, Senior Lobby;
CON: Basil Badley, Health Insurance Assn. of America and American Council of Life Insurance

HOUSE AMENDMENT(S):

A technical amendment is made, to clarify when Insurance Commissioner rule-making may occur.