

SENATE BILL REPORT

SB 6421

AS REPORTED BY COMMITTEE ON HEALTH & HUMAN SERVICES,
FEBRUARY 1, 1994

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

SPONSORS: 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

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 develops a model basic long-term care insurance policy with optional supplemental benefit plans, and adds provisions to statutory minimum standards in the marketing of long-term care policies. The Governor seeks federal enactment of long-term care insurance premium tax deductibility.

EFFECT OF PROPOSED SUBSTITUTE:

The model basic long-term care policy and supplement requirement are eliminated. A clarifying change is made in

minimum standards for marketing of long-term care insurance, and sanctions for unfair and deceptive practices are added.

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