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**Health Care & Wellness Committee**

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**HB 1441**

**Brief Description:** Addressing long-term care insurance.

**Sponsors:** Representatives Van De Wege, Morrell, Jinkins, Cody and Bergquist; by request of Insurance Commissioner.

**Brief Summary of Bill**

- Reduces the amount of time in which long-term care denials must be made.
- Requires the Insurance Commissioner to adopt prompt payment requirements for long-term care insurance.

**Hearing Date:** 2/12/13

**Staff:** Jim Morishima (786-7191).

**Background:**

Long-term care insurance is an insurance policy, contract, or rider that provides coverage for at least 12 consecutive months for the covered person. In 2008, Washington enacted long-term care legislation based on a model act developed by the National Association of Insurance Commissioners (NAIC). Under this legislation, all long-term care denials must be made within 60 days after receipt of a written request made by a policyholder, a certificate holder, or his or her representative.

Recent revisions to the NAIC model act require prompt payment of "clean claims," which are defined as claims that have no defect or impropriety, including any lack of required substantiating documentation, such as satisfactory evidence of expenses incurred, or particular circumstances requiring special treatment that prevents timely payment from being made on the claim. Under the NAIC model act, an insurer must pay a clean claim within 30 days.

**Summary of Bill:**

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All long-term care denials must be made within 30 days after receipt of a written request made by a policyholder, a certificate holder, or his or her representative.

The Insurance Commissioner must adopt by rule prompt payment requirements for long-term care insurance. The rules must include a definition of "claim" and "clean claim." In adopting the rules, the Insurance Commissioner must consider the prompt payment requirements in long-term care insurance model acts developed by the NAIC.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.