
SUBSTITUTE HOUSE BILL 2449

State of Washington

63rd Legislature

2014 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Jinkins, Appleton, Tarleton, Wylie, Roberts, Goodman, Morrell, Tharinger, Cody, and Freeman)

READ FIRST TIME 02/05/14.

1 AN ACT Relating to long-term care insurance price transparency;
2 adding a new section to chapter 48.83 RCW; adding a new section to
3 chapter 48.84 RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that persons
6 purchasing long-term care insurance typically pay premiums for many
7 years before receiving coverage for benefits offered under the policy.
8 While maintaining the policy, many consumers are faced with increases
9 in premiums that are surprising and may impact the consumer's ability
10 to maintain the policy. The legislature finds that many older policies
11 may not provide adequate consumer protection and notifications on
12 premium increases and the options that may be available for consumers,
13 and where possible these consumer protections should be added to the
14 contract terms retroactively as well as prospectively.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.83 RCW
16 to read as follows:

17 The issuer must provide notice of an upcoming premium rate schedule
18 increase to all policyholders or certificate holders, as applicable, at

1 least forty-five days prior to the implementation of any premium rate
2 schedule increase by the issuer. At a minimum, the notice must include
3 the following information:

4 (1) An explanation of the potential premium rate revisions, and the
5 policyholder's or certificate holder's options in the event of a
6 premium rate revision;

7 (2) A general explanation for applying a premium rate or rate
8 schedule including a description of when the premium rate or rate
9 schedule adjustments will be effective, such as the next anniversary
10 date or next billing date;

11 (3) Information regarding each premium rate increase on the policy
12 form or similar policy forms over the past ten years for this state or
13 any other state that, at a minimum, identifies the policy forms for
14 which premium rates have been increased, the calendar years when the
15 form was available for purchase, and the amount or percent of each
16 increase. The issuer, in a fair manner, may provide additional
17 explanatory information related to the rate increases; and

18 (4) Contact information for the issuer, including a web site or
19 phone number, for more information on the increase and the
20 policyholder's or certificate holder's options.

21 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.84 RCW
22 to read as follows:

23 (1) The purpose of this section is to provide policyholders or
24 certificate holders additional information on premium rate changes.
25 This section applies to long-term care insurance policies, contracts,
26 or riders delivered or issued for delivery in this state before January
27 1, 2009.

28 (2) The issuer must provide notice of an upcoming premium rate
29 schedule increase to all policyholders or certificate holders, as
30 applicable, at least forty-five days prior to the implementation of any
31 premium rate schedule increase by the issuer. At a minimum, the notice
32 must include the following information:

33 (a) An explanation of the potential premium rate revisions, and the
34 policyholder's or certificate holder's options in the event of a
35 premium rate revision;

36 (b) A general explanation for applying a premium rate or rate

1 schedule including a description of when the premium rate or rate
2 schedule adjustments will be effective, such as the next anniversary
3 date or next billing date;

4 (c) Information regarding each premium rate increase on the policy
5 form or similar policy forms over the past ten years for this state or
6 any other state that, at a minimum, identifies the policy forms for
7 which premium rates have been increased, the calendar years when the
8 form was available for purchase, and the amount or percent of each
9 increase. The issuer, in a fair manner, may provide additional
10 explanatory information related to the rate increases; and

11 (d) Contact information for the issuer, including a web site or
12 phone number, for more information on the increase and the
13 policyholder's or certificate holder's options.

--- END ---