
HOUSE BILL 2449

State of Washington

63rd Legislature

2014 Regular Session

By Representatives Jenkins, Appleton, Tarleton, Wylie, Roberts, Goodman, Morrell, Tharinger, Cody, and Freeman

Read first time 01/17/14. Referred to Committee on Health Care & Wellness.

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 as required in
12 administrative rule, including the policy forms for which premium rates
13 have been increased, the calendar year for the changes, the amount or
14 percent of each increase, and explanatory information related to the
15 rate increases; and

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

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

21 (1) The purpose of this section is to provide policyholders or
22 certificate holders additional information on premium rate changes.
23 This section applies to every issuer providing long-term care coverage
24 to a resident of this state, which coverage was issued or renewed on or
25 before January 1, 2009.

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

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

34 (b) A general explanation for applying a premium rate or rate
35 schedule including a description of when the premium rate or rate
36 schedule adjustments will be effective, such as the next anniversary
37 date or next billing date;

1 (c) Information regarding each premium rate increase including the
2 policy forms for which premium rates have been increased, the calendar
3 year for the changes, the amount or percent of each increase, and
4 explanatory information related to the rate increases; and
5 (d) Contact information for the issuer, including a web site or
6 phone number, for more information on the increase and the
7 policyholder's or certificate holder's options.

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