

MAINE STATE LEGISLATURE

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L.D. 5

Date: 3/19/19

(Filing No. H-25)

HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
129TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 6, L.D. 5, Bill, "An Act To Require Notification of Proposed Rate Increases for Long-term Care Policies"

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 24-A MRSA §5084 is enacted to read:

§5084. Notice to policyholders of rate increase

1. Notice. An insurer shall notify a policyholder of a long-term care insurance policy issued in accordance with this chapter or chapter 68 of a proposed premium rate increase that affects the policyholder no later than 30 days after the filing by the insurer of the premium rate increase. An insurer shall provide written notice by first-class mail to the last known mailing address of all affected individual and group policyholders and others who are directly billed for group coverage. The notice must:

- A.** Show the proposed rate;
- B.** State that the rate is subject to regulatory approval;
- C.** Inform a policyholder of the policyholder's right to request a hearing pursuant to section 229;
- D.** Inform a policyholder of the policyholder's right to provide written comments on the proposed rate increase to the bureau; and
- E.** Provide to the policyholder contact information for the bureau, including the bureau's toll-free telephone number.

2. Implementation of rate increase. An increase in a premium rate may not be implemented until approved by the bureau or until the effective date of the premium rate increase, whichever is later.

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

COMMITTEE AMENDMENT

1 **PROFESSIONAL AND FINANCIAL REGULATION, DEPARTMENT OF**
2 **Insurance - Bureau of 0092**

3 Initiative: Provides allocations to the Department of Professional and Financial
4 Regulation, Bureau of Insurance for costs associated with additional rate hearings.

5	OTHER SPECIAL REVENUE FUNDS	2019-20	2020-21
6	All Other	\$11,100	\$14,800
7			
8	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$11,100</u>	<u>\$14,800</u>
9			

10 **SUMMARY**

11 This amendment replaces the bill. The amendment changes the time frame for when
12 written notice of a proposed long-term care insurance rate increase must be provided
13 from no later than 10 business days to no later than 30 days after the filing of the
14 proposed premium rate increase. The amendment clarifies that notice must be provided
15 by the insurer to all affected individual and group policyholders and others who are
16 directly billed for group coverage. The amendment also specifies that the notice must
17 include certain information, including the proposed rate, information on the
18 policyholder's right to request a hearing and submit written comments on the proposed
19 rate and contact information for the Department of Professional and Financial Regulation,
20 Bureau of Insurance.

21 An increase in a premium rate may not be implemented until approved by the bureau
22 or until the effective date of the premium rate increase, whichever is later.

23 The amendment also adds an appropriations and allocations section.

24 **FISCAL NOTE REQUIRED**

25 (See attached)



129th MAINE LEGISLATURE

LD 5

LR 393(02)

An Act To Require Notification of Proposed Rate Increases for Long-term Care Policies

Fiscal Note for Bill as Amended by Committee Amendment *A (H-25)*
 Committee: Health Coverage, Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Appropriations/Allocations				
Other Special Revenue Funds	\$11,100	\$14,800	\$14,800	\$14,800

Fiscal Detail and Notes

The bill includes Other Special Revenue Funds allocations to the Department of Professional and Financial Regulation of \$11,100 in fiscal year 2019-20 and \$14,800 in fiscal year 2020-21 to hold additional hearings on proposed rate increases as a result of this bill. This estimate assumes an additional 4 rate hearings annually, with an average cost of \$3,700 per hearing. The department already has resources sufficient to fund the additional allocations.