S T A T E O F N E W Y O R K

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I N S E N A T E

February 24, 2016

Introduced by Sens. SEWARD, HANNON, FARLEY, FUNKE, LARKIN, MARCELLINO, SERINO -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance

AN ACT to direct the department of financial services to study and report upon the provision of long term care insurance coverage in this state

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The department of financial services shall examine, evaluate, and make recommendations concerning the provision of long term care insurance coverage in this state, as authorized pursuant to section 1117 of the insurance law. In conducting its study, such department shall seek input from a representation of interested parties, such as policyholders, insurance carriers, and caregivers. Such study shall specifically include, but not be limited to the following:

(a) the present state of the long term care insurance market, with respect to the growing aging population and other demographic shifts as well as market participation by insurance carriers;

(b) the impact of long term care coverage to public benefits such as Medicaid, care recipients and caregivers;

(c) identifiable trends in life expectancy, policy claim and utilization rates, and policy lapse rates;

(d) a review of the National Association of Insurance Commissioners (NAIC) activities as well as studies and reports prepared by the American Academy of Actuaries and/or the Society of Actuaries regarding long term care insurance premium rates increases;

(e) the actuarial assumptions and methodologies used by such department to ensure benefits are reasonable to premiums charged when approving and adjusting premium for this product, at this product's inception and presently;

(f) the impact of premium rates on the solvency of the plans offering this product;

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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(g) the impact of premium increases, and options offered to policyholders, on the affordability of long term care insurance and the ability of policyholders to maintain meaningful benefits; and

(h) solutions to making this public benefit more affordable and attractive to consumers.

S 2. Within twelve months of the effective date of this act, the superintendent of financial services shall submit a report to the governor, the temporary president of the senate, and the speaker of the assembly, of the department's findings, conclusions, and recommendations.

S 3. This act shall take effect immediately.