STATE OF NEW YORK

345

2023-2024 Regular Sessions

IN ASSEMBLY

January 6, 2023

Introduced by M. of A. BURDICK -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to requiring certain notices be posted and provided regarding long term care insurance policy changes

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subparagraphs (E) and (F) of paragraph 6 of subsection (b) of section 1117 of the insurance law, as amended by chapter 424 of the laws of 2016, are amended and two new subparagraphs (G) and (H) are added to read as follows:

(E) A graphic demonstration of the maximum daily nursing home benefit level provided by the policy or certificate, and the impact that the selection of any inflation protection options would have on such maximum daily nursing home benefit level; [~~and~~]

(F) The right of the prospective insured, upon attaining the age of sixty-five years, to designate a third party who will receive a copy of any notices of nonpayment of premiums due or notice of cancellation for nonpayment of premiums that is sent to the prospective insured[~~.~~]*;*

(G) A written statement as to the anticipated good faith increases of premium rates for such policy or certificate over the next ten years. Such statement shall include a list of past premium rate increases for such policy or certificate over the previous ten years, or if such policy or certificate was not offered over the previous ten years, past premium rate increases for similar policies or certificates over the previous ten years; and

(H) The right of the prospective insured to submit public comments on any rate filing or application regarding premium rates on the department's website.

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

LBD01132-01-3

§ 2. Paragraph 3 of subsection (f) of section 1117 of the insurance law, as added by chapter 245 of the laws of 1986, is amended to read as follows:

(3) the premium rates for the long term care plan are reasonably related to the benefits provided, [~~and~~] are self-supporting, and are in the best interests of policyholders and certificate holders; and

§ 3. Section 1117 of the insurance law is amended by adding three new subsections (h), (i) and (j) to read as follows:

(h) Whenever an insurer submits a rate filing or application to the superintendent to increase or decrease premium rates for any policy or certificate subject to this section, the superintendent shall post a public notice summarizing the rate filing or application on the department's website within seven days. The superintendent shall provide for a process for the public to provide comments on such rate filing or application electronically or in writing for a period of thirty days after such public notice is posted on the department's website.

(i) The superintendent, upon rendering a decision regarding approval, disapproval or modification of a rate filing or application, shall issue a public notice of such decision. Such written decision and notice shall be made publicly available on the department's website no later than the date on which the rate filing or application is approved, disapproved, or modified. Such notification shall include:

(1) a summary of the determinations made by the department regarding the approval, disapproval or modification of such rate filing or application, and

(2) a statement with relevant detail as to why the approval, disapproval or modification of the proposal is in the best interests of the policyholders and certificate holders.

(j) Upon receipt by an authorized insurer, corporation, health maintenance organization or fraternal benefit society covered by the provisions of this section of a decision by the superintendent with respect to a rate filing application with the department, such insurer, corporation, health maintenance organization or fraternal benefit society shall notify policyholders and certificate holders of such decision. Such notification shall include:

(1) a description of such decision;

(2) a written statement conforming to the requirements set forth in subparagraph (G) of paragraph six of subsection (b) of this section; and

(3) aggregated and anonymized data showing actions taken by past or current policyholders and certificate holders, segmented by age group, in response to proposed rate increases for similar policies and certificates. Such data regarding such actions shall include but not be limited to the following actions taken by such past or current policyholders and certificate holders:

(A) letting a policy or certificate lapse;

(B) decreasing policy or certificate benefits; and

(C) accepting the proposed rate increases.

§ 4. The insurance law is amended by adding a new section 334 to read as follows:

§ 334. Minimum loss ratio standards; long term care insurance. In establishing minimum benefit standards for long term care insurance plans pursuant to this article, the superintendent shall ensure that minimum loss ratio standards are no less favorable to policyholders and certificate holders than those specified by the model regulations for long term care insurance as published by the National Association of Insurance Commissioners, as updated from time to time.

§ 5. This act shall take effect immediately.