

VIRGINIA ACTS OF ASSEMBLY -- 2001 SESSION

CHAPTER 114

An Act to amend and reenact § 38.2-5202 of the Code of Virginia, relating to long-term care insurance; disclosure of rating practices.

[H 2228]

Approved March 13, 2001

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-5202 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-5202. Promulgation of regulations; standards for policy provisions.

A. The Commission may adopt regulations to establish specific standards for policy provisions of long-term care insurance policies. These standards shall be in addition to and in accordance with applicable laws of this Commonwealth. The standards shall address terms of renewability, nonforfeiture provisions if applicable, initial and subsequent conditions of eligibility, continuation or conversion, nonduplication of coverage provisions, coverage of dependents, preexisting conditions, termination of insurance, probationary periods, limitations, exceptions, reductions, elimination periods, requirements for replacement, recurrent conditions, ~~and~~ definitions of terms, *and disclosure of rating practices to consumers* and may address any other standards considered appropriate by the Commission.

B. The Commission shall promulgate such regulations regarding long-term care insurance policies and certificates as it deems appropriate.

C. Regulations issued by the Commission shall:

1. Recognize the unique, developing and experimental nature of long-term care insurance;
2. Recognize the appropriate distinctions necessary between group and individual long-term care insurance policies;
3. Recognize the unique needs of both those individuals who have reached retirement age and those preretirement individuals interested in purchasing long-term care insurance products; and
4. Recognize the appropriate distinctions necessary between long-term care insurance and accident and sickness insurance policies, prepaid health plans, and other health service plans.

2. That the Joint Commission on Health Care and the Bureau of Insurance of the State Corporation Commission shall (i) monitor the implementation of the revisions to the Long-Term Care Insurance Model Regulation of the National Association of Insurance Commissioners, dealing with Initial Filing Requirements and Premium Rate Schedule Increases, (ii) document the experience of other states that have implemented the revised regulation, and (iii) make recommendations to whether Virginia should adopt the revised regulation. The Joint Commission and the Bureau of Insurance shall report to the House Committee on Corporations, Insurance and Banking and the Senate Committee on Commerce and Labor on the progress of their study in an interim report to the 2002 Session of the General Assembly and in a final report to the 2003 Session of the General Assembly.