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HOUSE BILL NO. 2215

Offered January 11, 2023

Prefiled January 11, 2023

A *BILL to amend the Code of Virginia by adding a section numbered 38.2-5206.1, relating to long-term care insurance; rate increases; notice requirements.*

Patron—Tran

Referred to Committee on Commerce and Energy

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 38.2-5206.1 as follows:

§ 38.2-5206.1. Rate increases; notice requirements.

A. Within 60 days of filing for a rate increase with the Commission, an insurer offering long-term care insurance policies in the Commonwealth shall issue a written notice to each policyholder that the insurer has filed for a rate increase that includes the following:

1. The reasoning for which the insurer is requesting a rate increase;

2. The amount of rate increase requested, expressed as a percentage;

3. Directions on how to obtain information about the Commission's review of the rate case via the Commission's website;

4. Contact information for the Commission, including the Commission's website, email address, and toll-free telephone number;

5. A statement informing the policyholder of his right to provide comments to the Commission on the proposed rate increase and how to submit such comments to the Commission, including all available options via phone, website, and mail;

6. Information on how to contact the insurer for more information, including the insurer's website, email address, and toll-free telephone number; and

7. A statement that the notice provides information on a proposed rate increase and that the insurer will notify the policyholder of the Commission's approval or denial of the proposed rate increase.

B. In addition to any written notice required by subsection A, an insurer subject to the provisions of this chapter that has filed for a rate increase with the Commission shall:

1. If the Commission denies the proposed rate increase, issue a written notice to each policyholder of the Commission's denial of the proposed rate increase within 90 days of the final decision by the Commission; or

2. If the Commission approves the proposed rate increase, issue a written notice to each policyholder of the Commission's approval of the proposed rate increase at least 90 days before the effective date of such approved rate increase that includes the following:

a. Information related to why the policyholder will incur a rate increase;

b. The total change to the policyholder's plan, including any total increase in premiums, expressed as a percentage and dollar amount of the current premium, and any changes in benefits. For phased-in increases, the notice shall include information about phase-in dates with corresponding premium amounts and plan options available to the policyholder, including information on how to select a plan option not subject to the rate increase;

c. The insurer's contact information, including the insurer's website, email address, and toll-free telephone number;

d. The Commission's contact information, including the Commission's website, email address, and toll-free telephone number; and

e. Information about the Virginia Insurance Counseling and Assistance Program administered by the Department for Aging and Rehabilitative Services.

C. The notices required by subsections A and B shall use an easy-to-read font and plain language, present options fairly, and include appropriate definitions, disclosures, visualization tools, and referrals to external resources.

D. In reviewing requests to increase long-term care insurance rates, the Commission shall, to the extent practicable, consider how the rate increase will impact policyholders.

E. The Commission is authorized to promulgate regulations as necessary to implement the provisions of this section and develop additional guidance regarding the notices required by this section.

INTRODUCED

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