

Bill No. CS for SB 1924

Barcode 232914

CHAMBER ACTION

Senate

House

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The Committee on Health and Human Services Appropriations
(Peaden) recommended the following amendment:

Senate Amendment (with title amendment)

On page 5, before line 1,

insert:

Section 5. Section 627.94076, Florida Statutes, is
created to read:

627.94076 Time limit on certain
defenses.--Notwithstanding the provisions of s. 627.607, each
long-term care insurance policy shall provide that the policy
shall be incontestable after it has been in force during the
lifetime of the insured for a period of 2 years after its date
of issue except for nonpayment of premiums.

Section 6. Section 627.9403, Florida Statutes, is
amended to read:

627.9403 Scope.--The provisions of this part shall
apply to long-term care insurance policies delivered or issued
for delivery in this state, and to policies delivered or
issued for delivery outside this state to the extent provided

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1 in s. 627.9406, by an insurer, a fraternal benefit society as
2 defined in s. 632.601, a health maintenance organization as
3 defined in s. 641.19, a prepaid health clinic as defined in s.
4 641.402, or a multiple-employer welfare arrangement as defined
5 in s. 624.437. A policy which is advertised, marketed, or
6 offered as a long-term care policy and as a Medicare
7 supplement policy shall meet the requirements of this part and
8 the requirements of ss. 627.671-627.675 and, to the extent of
9 a conflict, be subject to the requirement that is more
10 favorable to the policyholder or certificateholder. The
11 provisions of this part shall not apply to a continuing care
12 contract issued pursuant to chapter 651 and shall not apply to
13 guaranteed renewable policies issued prior to October 1, 1988.
14 Any limited benefit policy that limits coverage to care in a
15 nursing home or to one or more lower levels of care required
16 or authorized to be provided by this part or by commission
17 rule is a type of long-term care insurance policy that must
18 meet all requirements of this part that apply to long-term
19 care insurance policies, except ss. 627.9407(3)(c), (9),
20 (10)(f), and (12) and 627.94073(2). ~~If the limited benefit~~
21 ~~policy does not provide coverage for care in a nursing home,~~
22 ~~but does provide coverage for one or more lower levels of~~
23 ~~care, the policy shall also be exempt from the requirements of~~
24 ~~s. 627.9407(3)(d).~~

25 Section 7. Subsections (1) and (7) of section
26 627.9404, Florida Statutes, are amended to read:

27 627.9404 Definitions.--For the purposes of this part:
28 (1) "Long-term care insurance policy" means any
29 insurance policy or rider advertised, marketed, offered, or
30 designed to provide coverage on an expense-incurred,
31 indemnity, prepaid, or other basis for one or more necessary

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1 or medically necessary diagnostic, preventive, therapeutic,
 2 curing, treating, mitigating, rehabilitative, maintenance, or
 3 personal care services provided in a setting other than an
 4 acute care unit of a hospital. Long-term care insurance shall
 5 not include any insurance policy which is offered primarily to
 6 provide basic Medicare supplement coverage, basic hospital
 7 expense coverage, basic medical-surgical expense coverage,
 8 hospital confinement indemnity coverage, major medical expense
 9 coverage, disability income protection coverage, accident only
 10 coverage, specified disease or specified accident coverage, or
 11 limited ~~benefit~~ health insurance coverage not otherwise
 12 defined as long-term care insurance.

13 (7) "Limited benefit policy" means any long-term care
 14 insurance policy that limits coverage to care in a nursing
 15 home or to one or more lower levels of care required or
 16 authorized to be provided by this part or by commission rule.

17 Section 8. Subsections (3) and (7) of section
 18 627.9407, Florida Statutes, are amended to read:

19 627.9407 Disclosure, advertising, and performance
 20 standards for long-term care insurance.--

21 (3) RESTRICTIONS.--A long-term care insurance policy
 22 may not:

23 (a) Be canceled, nonrenewed, or otherwise terminated
 24 on the grounds of the age or the deterioration of the mental
 25 or physical health of the insured individual or
 26 certificateholder; however, the office may authorize
 27 nonrenewal for an insurer on a statewide basis on terms and
 28 conditions determined to be necessary by the office to protect
 29 the interests of the insureds, if the insurer demonstrates
 30 that renewal will jeopardize the insurer's solvency or that
 31 substantial and unexpected loss experience cannot reasonably

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1 be mitigated or remedied.

2 (b) Contain a provision establishing a new waiting
3 period in the event existing coverage is converted to or
4 replaced by a new or other form within the same insurer or any
5 affiliated insurer, except with respect to an increase in
6 benefits voluntarily selected by the insured individual or
7 group policyholder.

8 (c) Restrict its coverage to care only in a nursing
9 home licensed pursuant to part II of chapter 400 or provide
10 significantly more coverage for such care than coverage for
11 lower levels of care. The commission shall adopt rules
12 defining what constitutes significantly more coverage in
13 nursing homes licensed pursuant to part II of chapter 400 than
14 for lower levels of care.

15 ~~(d) Provide coverage for less than 24 consecutive~~
16 ~~months for nursing home care for each covered person.~~

17 ~~(d)(e)~~ Contain an elimination period in excess of 180
18 days. As used in this paragraph, the term "elimination period"
19 means the number of days at the beginning of a period of
20 confinement for which no benefits are payable.

21 (7) RATE STRUCTURE.--

22 (a) A long-term care insurance policy may not be
23 issued if the premiums to be charged are calculated to
24 increase based solely on the age of the insured.

25 (b) Any long-term care insurance policy or certificate
26 issued or renewed, at the option of the policyholder or
27 certificateholder, shall make available to the insured the
28 contingent benefit upon lapse as provided in the Long-Term
29 Care Insurance Model Regulation adopted by the National
30 Association of Insurance Commissioners in the second quarter
31 of the year 2000.

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1 (c) Any premium increase for existing insureds shall
2 not result in a premium charged to the insureds that would
3 exceed the premium charged on a newly issued insurance policy,
4 except to reflect benefit differences. If the insurer is not
5 currently issuing new coverage, the new business rate shall be
6 as published by the office at the rate representing the new
7 business rate of insurers representing 80 percent of the
8 carriers currently issuing policies with similar coverage as
9 determined by the prior calendar year earned premium.

10 (d) Compliance with the pooling provisions of s.
11 627.410(6)(e)3. shall be determined by pooling the experience
12 of all affiliated insurers.

13 Section 9. Subsection (3) of section 641.2018, Florida
14 Statutes, is amended to read:

15 641.2018 Limited coverage for home health care
16 authorized.--

17 (3) Any contract that limits coverage to home health
18 care benefits as provided in this section must also meet all
19 of the requirements of ss. 627.9403-627.9408 of the Long-Term
20 Care Insurance Act, except s. 627.9407(3)(c), ~~(d)~~, and (9).

21 Section 10. This act shall apply to long-term care
22 insurance policies issued or renewed on or after July 1, 2006.
23 For any long-term care insurance policy issued prior to July
24 1, 2006, the provisions of section 5 shall apply to such
25 policy only upon renewal of such policy on or after July 1,
26 2008, and the policy shall so provide by endorsement to the
27 policy.

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29 (Redesignate subsequent sections.)
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1 ===== T I T L E A M E N D M E N T =====

2 And the title is amended as follows:

3 On page 2, line 5, after the semicolon,

4

5 insert:

6 creating s. 627.94076, F.S.; requiring

7 long-term care insurance policies to provide

8 incontestability after a certain time period;

9 providing an exception; amending s. 627.9403,

10 F.S.; specifying that certain limited benefit

11 policies are a type of long-term care insurance

12 policy; deleting an exemption from a minimum

13 time period coverage requirement for certain

14 limited benefit policies; amending s. 627.9404,

15 F.S.; revising definitions; amending s.

16 627.9407, F.S.; revising certain restrictions

17 on long-term care insurance policies; providing

18 additional rate structure requirements for

19 long-term care insurance policies; amending s.

20 641.2018, F.S.; correcting a cross-reference;

21 providing application;

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