

Bill No. CS for SB 1924

Barcode 564940

CHAMBER ACTION

Senate

House

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The Committee on Health and Human Services Appropriations  
(Peaden) recommended the following **amendment to amendment**  
(372124):

**Senate Amendment (with title amendment)**

On page 4, between lines 4 and 5,

insert:

Section 6. 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 7. 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

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

26 Section 8. Subsections (1) and (7) of section  
27 627.9404, Florida Statutes, are amended to read:

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

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

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

18 Section 9. Subsections (3) and (7) of section  
 19 627.9407, Florida Statutes, are amended to read:

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

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

24 (a) Be canceled, nonrenewed, or otherwise terminated  
 25 on the grounds of the age or the deterioration of the mental  
 26 or physical health of the insured individual or  
 27 certificateholder; however, the office may authorize  
 28 nonrenewal for an insurer on a statewide basis on terms and  
 29 conditions determined to be necessary by the office to protect  
 30 the interests of the insureds, if the insurer demonstrates  
 31 that renewal will jeopardize the insurer's solvency or that

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1 substantial and unexpected loss experience cannot reasonably  
2 be mitigated or remedied.

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

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

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

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

22 (7) RATE STRUCTURE.--

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

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

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1 of the year 2000.

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

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

14       Section 10. Subsection (3) of section 641.2018,  
15 Florida Statutes, is amended to read:

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

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

22       Section 11. This act shall apply to long-term care  
23 insurance policies issued or renewed on or after July 1, 2006.  
24 For any long-term care insurance policy issued prior to July  
25 1, 2006, the provisions of section 5 shall apply to such  
26 policy only upon renewal of such policy on or after July 1,  
27 2008, and the policy shall so provide by endorsement to the  
28 policy.

29  
30 (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 5; line 22, 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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