

1 627.94075 Time limit on certain
2 defenses.--Notwithstanding the provisions of s. 627.607, each
3 long-term care insurance policy shall provide that the policy
4 shall be incontestable after the policy has been in force
5 during the lifetime of the insured for a period of 2 years
6 from the date of issuance of the policy, except for nonpayment
7 of premiums.

8 Section 2. Section 627.9403, Florida Statutes, is
9 amended to read:

10 627.9403 Scope.--The provisions of this part shall
11 apply to long-term care insurance policies delivered or issued
12 for delivery in this state, and to policies delivered or
13 issued for delivery outside this state to the extent provided
14 in s. 627.9406, by an insurer, a fraternal benefit society as
15 defined in s. 632.601, a health maintenance organization as
16 defined in s. 641.19, a prepaid health clinic as defined in s.
17 641.402, or a multiple-employer welfare arrangement as defined
18 in s. 624.437. A policy which is advertised, marketed, or
19 offered as a long-term care policy and as a Medicare
20 supplement policy shall meet the requirements of this part and
21 the requirements of ss. 627.671-627.675 and, to the extent of
22 a conflict, be subject to the requirement that is more
23 favorable to the policyholder or certificateholder. The
24 provisions of this part shall not apply to a continuing care
25 contract issued pursuant to chapter 651 and shall not apply to
26 guaranteed renewable policies issued prior to October 1, 1988.
27 Any limited benefit policy that limits coverage to care in a
28 nursing home or to one or more lower levels of care required
29 or authorized to be provided by this part or by commission
30 rule is a type of long-term care insurance policy that must
31 meet all requirements of this part that apply to long-term

1 care insurance policies, except ss. 627.9407(3)(c), (9),
2 (10)(f), and (12) and 627.94073(2). ~~If the limited benefit~~
3 ~~policy does not provide coverage for care in a nursing home,~~
4 ~~but does provide coverage for one or more lower levels of~~
5 ~~care, the policy shall also be exempt from the requirements of~~
6 ~~s. 627.9407(3)(d).~~

7 Section 3. Subsections (1) and (7) of section
8 627.9404, Florida Statutes, are amended to read:

9 627.9404 Definitions.--For the purposes of this part:

10 (1) "Long-term care insurance policy" means any
11 insurance policy or rider advertised, marketed, offered, or
12 designed to provide coverage on an expense-incurred,
13 indemnity, prepaid, or other basis for one or more necessary
14 or medically necessary diagnostic, preventive, therapeutic,
15 curing, treating, mitigating, rehabilitative, maintenance, or
16 personal care services provided in a setting other than an
17 acute care unit of a hospital. Long-term care insurance shall
18 not include any insurance policy which is offered primarily to
19 provide basic Medicare supplement coverage, basic hospital
20 expense coverage, basic medical-surgical expense coverage,
21 hospital confinement indemnity coverage, major medical expense
22 coverage, disability income protection coverage, accident only
23 coverage, specified disease or specified accident coverage, or
24 limited ~~benefit~~ health insurance coverage not otherwise
25 defined as long-term care insurance.

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

30 Section 4. Subsections (3) and (7) of section
31 627.9407, Florida Statutes, are amended to read:

1 627.9407 Disclosure, advertising, and performance
2 standards for long-term care insurance.--

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

5 (a) Be canceled, nonrenewed, or otherwise terminated
6 on the grounds of the age or the deterioration of the mental
7 or physical health of the insured individual or
8 certificateholder; however, the office may authorize
9 nonrenewal for an insurer on a statewide basis on terms and
10 conditions determined to be necessary by the office to protect
11 the interests of the insureds, if the insurer demonstrates
12 that renewal will jeopardize the insurer's solvency or that
13 substantial and unexpected loss experience cannot reasonably
14 be mitigated or remedied.

15 (b) Contain a provision establishing a new waiting
16 period in the event existing coverage is converted to or
17 replaced by a new or other form within the same insurer or any
18 affiliated insurer, except with respect to an increase in
19 benefits voluntarily selected by the insured individual or
20 group policyholder.

21 (c) Restrict its coverage to care only in a nursing
22 home licensed pursuant to part II of chapter 400 or provide
23 significantly more coverage for such care than coverage for
24 lower levels of care. The commission shall adopt rules
25 defining what constitutes significantly more coverage in
26 nursing homes licensed pursuant to part II of chapter 400 than
27 for lower levels of care.

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

30 (d)(e) Contain an elimination period in excess of 180
31 days. As used in this paragraph, the term "elimination period"

1 means the number of days at the beginning of a period of
2 confinement for which no benefits are payable.

3 (7) RATE STRUCTURE.--

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

7 (b) Any long-term care insurance policy or certificate
8 issued or renewed, at the option of the policyholder or
9 certificateholder, shall make available to the insured the
10 contingent benefit upon lapse as provided in the Long-Term
11 Care Insurance Model Regulation adopted by the National
12 Association of Insurance Commissioners in the second quarter
13 of the year 2000.

14 (c) Any premium increase for existing insureds shall
15 not result in a premium charged the insureds which would
16 exceed the premium charged to a newly issued insurance policy,
17 except to reflect benefit differences. If the insurer is not
18 currently issuing new coverage, the new business rate shall be
19 as published by the office at the rate representing the new
20 business rate of insurers representing 80 percent of the
21 carriers currently issuing policies with similar coverage as
22 determined by the prior calendar year earned premium.

23 (d) Compliance with the pooling provisions of s.
24 627.410(6)(e)3. shall be determined by pooling the experience
25 of all affiliated insurers.

26 Section 5. Subsection (3) is added to section
27 627.9408, Florida Statutes, to read:

28 627.9408 Rules.--

29 (3) In order for consumers to be able to more
30 appropriately compare products and prices among insurers, the
31 commission shall adopt by rule, pursuant to ss. 120.536(1) and

1 120.54, a standardized core benefit plan that all insurers
2 offering long-term care insurance coverage in this state shall
3 make available to all prospective insureds. In adopting the
4 standardized core benefit plan rule, the commission shall
5 consider coverage and other plan provisions which provide
6 benefit levels consistent with those generally available in
7 the long-term care insurance market in this state, including
8 those applicable to nursing home health care, assisted living
9 facility care, and home care and that provide coverage for
10 basic care. The rule shall provide that the standardized core
11 benefit plan must meet the standards of a qualified long-term
12 care insurance policy. Any marketing material for any product
13 shall include reference to the availability of the
14 standardized core benefit plan.

15 Section 6. Subsection (3) of section 641.2018, Florida
16 Statutes, is amended to read:

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

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

23 Section 7. For fiscal year 2006-2007, the sum of
24 \$72,500 is appropriated from the Insurance Regulatory Trust
25 Fund to the Office of Insurance Regulation for the purpose of
26 paying the salary and other administrative expenses for one
27 full-time equivalent position to implement the provisions of
28 this act.

29 Section 8. This act shall apply to long-term care
30 insurance policies issued or renewed on or after July 1, 2006.
31 For any long-term care insurance policy issued prior to July

1 1, 2006, the provisions of section 1 of this act shall apply
2 to such policy only upon renewal of such policy on or after
3 July 1, 2008, and the policies shall so provide by endorsement
4 to the policy.

5 Section 9. This act shall take effect July 1, 2006.
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