

By Senator Richter

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1 A bill to be entitled
2 An act relating to long-term care insurance; amending
3 s. 627.9404, F.S.; defining the term "guaranteed
4 renewable" for purposes of the Long-Term Care
5 Insurance Act; amending s. 627.9407, F.S.; providing
6 that continuation or renewal of a guaranteed renewable
7 long-term care insurance policy does not result in the
8 making of a new policy or contract or incorporate
9 certain statutory or regulatory changes into the
10 policy or contract; amending ss. 627.9403 and
11 641.2018, F.S.; conforming cross-references; providing
12 editorial changes; providing an effective date.

13
14 Be It Enacted by the Legislature of the State of Florida:

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16 Section 1. Subsections (6) through (12) of section
17 627.9404, Florida Statutes, are renumbered as subsections (7)
18 through (13), respectively, and a new subsection (6) is added to
19 that section to read:

20 627.9404 Definitions.—For the purposes of this part:

21 (6) "Guaranteed renewable" means that the insured has the
22 right to continue the policy or contract in force by the timely
23 payment of premiums and the insurer has no unilateral right to
24 make any change in any provision of the policy or contract while
25 the insurance or contract is in force and cannot decline to
26 renew, except that rates may be revised by the insurer on a
27 class basis.

28 Section 2. Subsection (3) of section 627.9407, Florida
29 Statutes, is amended to read:

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30 627.9407 Disclosure, advertising, and performance standards
31 for long-term care insurance.-

32 (3) RESTRICTIONS.-

33 (a) A long-term care insurance policy may not:

34 1.~~(a)~~ Be canceled, nonrenewed, or otherwise terminated on
35 the grounds of the age or the deterioration of the mental or
36 physical health of the insured individual or certificateholder;
37 however, the office may authorize nonrenewal for an insurer on a
38 statewide basis on terms and conditions determined to be
39 necessary by the office to protect the interests of the
40 insureds, if the insurer demonstrates that renewal will
41 jeopardize the insurer's solvency or that substantial and
42 unexpected loss experience cannot reasonably be mitigated or
43 remedied.

44 2.~~(b)~~ Contain a provision establishing a new waiting period
45 in the event existing coverage is converted to or replaced by a
46 new or other form within the same insurer or any affiliated
47 insurer, except with respect to an increase in benefits
48 voluntarily selected by the insured individual or group
49 policyholder.

50 3.~~(c)~~ Restrict its coverage to care only in a nursing home
51 licensed pursuant to part II of chapter 400 or provide
52 significantly more coverage for such care than coverage for
53 lower levels of care. The commission shall adopt rules defining
54 what constitutes significantly more coverage in nursing homes
55 licensed pursuant to part II of chapter 400 than for lower
56 levels of care.

57 4.~~(d)~~ Contain an elimination period in excess of 180 days.
58 As used in this paragraph, the term "elimination period" means

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59 the number of days at the beginning of a period of confinement
60 for which no benefits are payable.

61 (b) The continuation or renewal of a guaranteed renewable
62 long-term care insurance policy by the timely payment of
63 required premiums does not constitute the making or issuance of
64 a new policy of insurance or contract for any purpose and does
65 not have the effect of incorporating into the policy or contract
66 statutory or regulatory changes that were enacted or adopted
67 after the original issuance date of the guaranteed renewable
68 policy.

69 Section 3. Section 627.9403, Florida Statutes, is amended
70 to read:

71 627.9403 Scope. ~~The provisions of This part applies shall~~
72 ~~apply~~ to long-term care insurance policies delivered or issued
73 for delivery in this state, and to policies delivered or issued
74 for delivery outside this state to the extent provided in s.
75 627.9406, by an insurer, a fraternal benefit society as defined
76 in s. 632.601, a health maintenance organization as defined in
77 s. 641.19, a prepaid health clinic as defined in s. 641.402, or
78 a multiple-employer welfare arrangement as defined in s.
79 624.437. A policy that ~~which~~ is advertised, marketed, or offered
80 as a long-term care policy and as a Medicare supplement policy
81 must ~~shall~~ meet the requirements of this part and the
82 requirements of ss. 627.671-627.675 and, to the extent of a
83 conflict, is ~~be~~ subject to the requirement that is more
84 favorable to the policyholder or certificateholder. ~~The~~
85 ~~provisions of This part does shall~~ not apply to a continuing
86 care contract issued pursuant to chapter 651 or ~~and shall not~~
87 ~~apply~~ to guaranteed renewable policies issued prior to October

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88 1, 1988. Any limited benefit policy that limits coverage to care
89 in a nursing home or to one or more lower levels of care
90 required or authorized to be provided by this part or by
91 commission rule is a type of long-term care insurance policy
92 that must meet all requirements of this part that apply to long-
93 term care insurance policies, except ss. 627.9407(3)(a)3.

94 ~~627.9407(3)(e)~~, (9), (10)(f), and (12) and 627.94073(2).

95 Section 4. Subsection (3) of section 641.2018, Florida
96 Statutes, is amended to read:

97 641.2018 Limited coverage for home health care authorized.—

98 (3) Any contract that limits coverage to home health care
99 benefits as provided in this section must also meet all of the
100 requirements of ss. 627.9403-627.9408 of the Long-Term Care
101 Insurance Act, except s. 627.9407(3)(a)3. ~~627.9407(3)(e)~~ and
102 (9).

103 Section 5. This act shall take effect July 1, 2012.