

HOUSE BILL 946

C4

8lr1047

By: **Delegates Kramer, Jackson, Barkley, Gutierrez, R. Lewis, Stein, and K. Young**
Introduced and read first time: February 5, 2018
Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Long-Term Care Insurance – Nonforfeiture Benefits**

3 FOR the purpose of requiring a carrier to provide to an insured under a policy or contract
4 of long-term care insurance a certain nonforfeiture benefit under certain
5 circumstances; providing for the application of this Act; and generally relating to
6 long-term care insurance.

7 BY adding to

8 Article – Insurance

9 Section 18–116.1

10 Annotated Code of Maryland

11 (2017 Replacement Volume)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That the Laws of Maryland read as follows:

14 **Article – Insurance**

15 **18–116.1.**

16 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A CARRIER SHALL**
17 **PROVIDE TO AN INSURED UNDER A POLICY OR CONTRACT OF LONG-TERM CARE**
18 **INSURANCE A NONFORFEITURE BENEFIT IF:**

19 **(1) THE INSURED HAS MAINTAINED THE POLICY OR CONTRACT OF**
20 **LONG-TERM CARE INSURANCE THROUGH THE CARRIER FOR AT LEAST 10 YEARS;**

21 **(2) THE INSURED HAS PAID IN FULL ALL PREMIUMS FOR THE POLICY**
22 **OR CONTRACT OF LONG-TERM CARE INSURANCE; AND**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(3) THE POLICY OR CONTRACT OF LONG-TERM CARE INSURANCE IS**
2 **TERMINATED BY THE INSURED WITHIN 12 MONTHS AFTER RECEIVING NOTICE OF AN**
3 **INCREASE OF THE INSURED'S PREMIUM UNDER THE POLICY OR CONTRACT OF**
4 **LONG-TERM CARE INSURANCE.**

5 **(B) THE NONFORFEITURE BENEFIT REQUIRED UNDER SUBSECTION (A) OF**
6 **THIS SECTION SHALL BE:**

7 **(1) EQUIVALENT TO AT LEAST THE ACCUMULATED VALUE OF ALL**
8 **PREMIUMS PAID BY THE INSURED UNDER THE POLICY OR CONTRACT OF**
9 **LONG-TERM CARE INSURANCE; AND**

10 **(2) ADJUSTED FOR INFLATION BASED ON THE CONSUMER PRICE**
11 **INDEX FOR THE WASHINGTON-BALTIMORE METROPOLITAN AREA, AS COMPUTED**
12 **BY THE U.S. DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS.**

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all:

14 (1) policies, contracts, or certificates of long-term care insurance issued,
15 delivered, or in effect in the State on or after the effective date of this Act; and

16 (2) rate filings submitted to the Maryland Insurance Commissioner on or
17 after the effective date of this Act.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2018.