

# SENATE BILL 716

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CF HB 590

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By: **Senators Kelley, Exum, Klausmeier, and Pugh**

Introduced and read first time: February 6, 2009

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Long-Term Care Insurance – Qualified State Long-Term**  
3 **Care Insurance Partnership – Revisions**

4 FOR the purpose of repealing the requirement that a certain outline of coverage for  
5 long-term care insurance contain a certain statement about a policy or contract  
6 of long-term care insurance; altering a certain statement about a policy or  
7 contract of long-term care insurance that must be included in a certificate that  
8 is issued under group long-term care insurance; and generally relating to  
9 long-term care insurance and the Qualified State Long-Term Care Insurance  
10 Partnership.

11 BY repealing and reenacting, with amendments,  
12 Article – Insurance  
13 Section 18–106 and 18–107  
14 Annotated Code of Maryland  
15 (2006 Replacement Volume and 2008 Supplement)  
16 (As enacted by Chapter 70 of the Acts of the General Assembly of 1997)

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

19 **Article – Insurance**

20 18–106.

21 (a) (1) A carrier shall provide to each applicant an outline of coverage and  
22 buyer's guide.

23 (2) The carrier shall deliver the outline of coverage and buyer's guide:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) in the case of solicitation by the carrier or insurance  
2 producer of the carrier, before the presentation of an application or enrollment form;  
3 and

4 (ii) in the case of direct response solicitation, with the  
5 application or enrollment form.

6 (b) The outline of coverage shall include:

7 (1) a description of the principal benefits and coverage provided in the  
8 policy or contract;

9 (2) a statement of the principal exclusions, reductions, and limitations  
10 in the policy or contract;

11 (3) a statement of the renewal provisions, including any reservation in  
12 the policy or contract of a right to change the schedule of premiums;

13 (4) [a statement as to whether the policy or contract is approved under  
14 the Qualified Long-Term Care Insurance Partnership under Title 15, Subtitle 4 of the  
15 Health – General Article;

16 (5)] a statement that the outline of coverage is a summary of the policy  
17 or contract issued or applied for and the policy or contract should be consulted to  
18 determine the governing contractual provisions; and

19 [(6)] (5) any expected premium increases or additional premiums to  
20 pay for automatic or optional benefit increases, including a reasonable hypothetical or  
21 graphic demonstration of the potential premiums that the applicant will need to pay at  
22 age 75 for benefit increases.

23 (c) The buyer's guide shall include information about buying a policy of  
24 long-term care insurance, including a reference to the right of the buyer to cancel a  
25 policy during the first 30 days after the policy is delivered.

26 (d) A carrier shall provide an applicant with a graphic comparison, over a  
27 period of at least 20 years, of the benefit levels of a policy that increases benefits over  
28 the policy or certificate period compared to the benefit levels of a policy that does not  
29 increase benefits.

30 18-107.

31 A certificate that is issued under group long-term care insurance shall include:

32 (1) a description of the principal benefits and coverage provided in the  
33 policy or contract;

1                   (2) a statement of the principal exclusions, reductions, and limitations  
2 of coverage in the policy or contract;

3                   (3) a statement that the group master policy or contract determines  
4 the governing contractual provisions; and

5                   (4) a statement as to whether the policy or contract is [approved]  
6 **INTENDED TO QUALIFY AS A PARTNERSHIP POLICY** under the Qualified State  
7 Long-Term Care Insurance Partnership under Title 15, Subtitle 4 of the Health –  
8 General Article.

9                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
10 June 1, 2009.