

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 415

(Senator Kramer)

Finance

Health and Government Operations

Long-Term Care Insurance - Annual Notice

This bill requires each carrier of long-term care insurance to provide each insured an annual notice, in writing or electronically, containing the insured's policy form number and the carrier's customer service telephone number.

Fiscal Summary

State Effect: None. The bill pertains exclusively to private-sector activities.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Under Maryland regulations, individual long-term care insurance policies must contain an appropriately captioned renewability provision on the first page of the policy form. A long-term care policy or certificate generally must include a statement that premium rates may change. Except for an employer-employee group policy, a long-term care policy must provide that the policyholder or certificate holder may return the policy or certificate to the insurer or agent within 30 days after receipt of the policy or certificate, and obtain a full refund of premium paid. A statement to this effect must be printed in a prominent manner on the first page of the policy or certificate.

A carrier must provide a one-time written notice at the time a policy or contract is issued that an insured may access information about proposed rate increases on the Maryland Insurance Administration (MIA) website.

Background: Many long-term care insurance policyholders may not know their policy form number as it is typically provided only on the original policy. Long-term care hearing and rate information is routinely posted on the MIA [website](#) by company and policy form number. Thus, the policy form number is necessary for a consumer to determine if the policy is the subject of a rate increase hearing before MIA.

According to the National Association of Insurance Commissioners, 144,434 Marylanders were covered by long-term care insurance in 2017. MIA indicates that 13 carriers are authorized to sell approved individual long-term care insurance policies in Maryland, but not all may be actively selling new policies.

Additional Information

Prior Introductions: None.

Cross File: HB 1388 (Delegate Crutchfield, *et al.*) - Rules and Executive Nominations.

Information Source(s): National Association of Insurance Commissioners; Maryland Insurance Administration; Department of Legislative Services

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Analysis by: Jennifer B. Chasse

Direct Inquiries to:
(410) 946-5510
(301) 970-5510