

HCS HB 611 -- LONG-TERM CARE INSURANCE RATES

SPONSOR: Carpenter

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Insurance Policy by a vote of 11 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 11 to 0.

This bill prohibits a licensed insurance company from issuing any policy or certificate of long-term care insurance unless the classification of risks and the premium rates pertaining to the policy or certificate have been filed with and approved by the Director of the Department of Insurance, Financial Institutions and Professional Registration. Long-term care insurance rates cannot be excessive, inadequate, or unfairly discriminatory and cannot increase by more than 20% per year unless the insurer can clearly document a material and significant change in the risk characteristics of all of its in-force long-term care insurance policies or certificates.

Rates must be determined by past and prospective loss experience and expenses, adequate contingency reserves, and all other relevant factors within and without the state. If an insurance company implements a rate that the director has determined is unreasonable under subsections 1 and 2 of this section, the department shall make such determination public, in a form and manner determined by rule.

This bill is the same as HB 2268 (2016) and HB 954 (2015).

PROPONENTS: Supporters say that LTC policies increase year after year and people can not afford to continue paying the increased premiums and either have to drop their coverage and lose everything they have put in or lower what the policy will pay. Companies need to let the consumer know when rates are increasing.

Testifying for the bill were Representative Carpenter; James L. Carney; and AARP.

OPPONENTS: Those who oppose the bill say that a lot of long term care companies have gone out of business when you regulate and must have pre-approval of rates. This is not good for competition.

Testifying against the bill was the Missouri Insurance Coalition.