

HB 2077 -- LONG-TERM CARE INSURANCE RATES

SPONSOR: Carpenter

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Insurance Policy 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 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 in the event that rates charged increases by more than 20% any annual period, the insurer shall clearly document a material and significant change in the risk characteristics of all of its impacted policy series of in-force long-term care insurance policies or certificates.

Rates must be determined by past and prospective loss experience and expenses, 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.

This bill is similar to HB 611 (2017) and HB 2268 (2016).

PROPONENTS: Supporters say that LTC policy rates increase year after year and people cannot 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 was Representative Carpenter.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that the insurance industry does not want the department approving rates.

Testifying on the bill was Missouri Insurance Coalition and America's Health's Insurance Plans.