

HOUSE BILL No. 1330

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-12-7.

Synopsis: Long term care insurance disclosure. Requires the insurance commissioner to adopt standards for disclosure concerning cash surrender value of a long term care insurance policy.

Effective: July 1, 2011.

Porter

January 13, 2011, read first time and referred to Committee on Insurance.

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First Regular Session 117th General Assembly (2011)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1330



A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 27-8-12-7 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) The insurance
- 3 commissioner shall adopt rules under IC 4-22-2 establishing standards
- 4 of full and fair disclosure concerning long term care insurance policies.
- 5 The standards must require disclosure of information concerning the
- 6 following:
- 7 (1) The sale of the policies.
- 8 (2) Terms of renewability.
- 9 (3) Initial and subsequent terms of eligibility.
- 10 (4) Nonduplication of coverage provisions.
- 11 (5) Coverage of dependents.
- 12 (6) Preexisting conditions.
- 13 (7) Termination of insurance coverage.
- 14 (8) Probationary periods.
- 15 (9) Limitations on coverage.
- 16 (10) Exceptions to coverage.
- 17 (11) Reductions from coverage.



- 1 (12) Elimination periods.
- 2 (13) Requirements for replacement.
- 3 (14) Recurrent conditions.
- 4 (15) Definitions of terms.
- 5 (16) Continuation or conversion of coverage.
- 6 **(17) Cash surrender value of the policies.**
- 7 (b) The insurance commissioner shall adopt rules under IC 4-22-2
- 8 to establish minimum standards concerning:
- 9 (1) marketing practices;
- 10 (2) insurance producer continuing education;
- 11 (3) penalties; and
- 12 (4) reporting practices;
- 13 for long term care insurance.
- 14 (c) Rules adopted by the insurance commissioner under this section
- 15 must:
- 16 (1) recognize the unique, developing, and experimental nature of
- 17 long term care insurance; and
- 18 (2) where necessary or appropriate, recognize the distinctions
- 19 between group insurance policies and individual insurance
- 20 policies.

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