

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 979
95TH GENERAL ASSEMBLY

Reported from the Committee on Small Business, Insurance and Industry, March 18, 2010, with recommendation that the Senate Committee Substitute do pass.

5161S.02C

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 376, RSMo, by adding thereto one new section relating to the approval or disapproval of long-term care insurance rates by the director of the department of insurance, financial institutions and professional registration.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 376, RSMo, is amended by adding thereto one new section, to be known as section 376.1110, to read as follows:

376.1110. 1. No insurance company licensed to transact business in this state shall deliver or issue for delivery in this state any policy or certificate of long-term care insurance, unless the classification of risks and the premium rates pertaining to such policy or certificate have been filed with and approved by the director.

2. Rates for long-term care insurance shall not be excessive, inadequate, or unfairly discriminatory. In no event shall the rates charged to any policy holder or certificate holder increase by more than fifteen percent during any annual period, unless the insurer can clearly document a material and significant change in the risk characteristics of all its in force long-term care insurance policies or certificates. All rates for long-term care insurance shall be made in accordance with the following provisions and due consideration shall be given to:

(1) Past and prospective loss experience;

(2) Past and prospective expenses;

(3) Adequate contingency reserves; and

(4) All other relevant factors within and without the state.

3. The director shall approve or disapprove a rate filing within

20 forty-five days after the filing and submission thereof. The failure of
21 the director to take action approving or disapproving a submitted rate
22 filing within the stipulated time shall be deemed an approval thereof
23 until such time as the director shall notify the submitting company of
24 his or her disapproval thereof. If a rate filing is disapproved, the
25 reasons therefor shall be stated in writing. Any notice of disapproval
26 shall state that a hearing shall be granted, if so requested.

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