

HOUSE BILL NO. 1419

Introduced by

Representatives Callahan, Kretschmar, Wilkie

Senator Heitkamp

1 A BILL for an Act to create and enact a new section to chapter 26.1-45 of the North Dakota
2 Century Code, relating to rate stabilization for long-term care insurance policies.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new section to chapter 26.1-45 of the North Dakota Century Code is
5 created and enacted as follows:

6 **Rate stabilization.** For policies and certificates issued or renewed after August 1,
7 1997, the following rate increase standards apply:

- 8 1. The initial premium rate schedule provided to an insured covered by a long-term
9 care policy may not increase during the initial three years the policy is in force.
- 10 2. Any premium rate schedule increase provided an insured after the initial three-year
11 period is subject to the following:
 - 12 a. The premium rate increase must be guaranteed for at least two years from its
13 effective date.
 - 14 b. Insureds at least seventy-five years of age, whose long-term care policies or
15 certificates have been in force for at least ten years may not have a rate
16 increase exceeding ten percent; and the annual premium may not be in
17 excess of the amounts prescribed in subdivision c.
 - 18 c. For individuals with coverage issued before age sixty-five, the maximum
19 lifetime amount the annual premium may be increased may not exceed one
20 hundred fifty percent of the original annual premium. For individuals with
21 coverage issued at age sixty-five or later, the maximum lifetime amount the
22 annual premium may be increased may not exceed one hundred percent of
23 the original annual premium. Increases or decreases in coverage must be

- 1 taken into consideration when meeting these maximum lifetime premium
2 limitations.
- 3 3. All rate filings must include a complete rate history to make the determinations
4 under subsections 1 and 2.
- 5 4. These provisions apply to any replacing or assuming insurer that purchases,
6 reinsures, or otherwise assumes a block of long-term care policies from a prior or
7 ceding insurer. For purposes of these provisions, any rate increase of the prior or
8 ceding insurer applies to the replacing or assuming insurer.