

CHAPTER 122

INSURANCE

HOUSE BILL 05-1225

BY REPRESENTATIVE(S) Todd, Ragsdale, and Borodkin;
also SENATOR(S) Entz, Taylor, and Teck.

AN ACT

CONCERNING THE REPEAL OF THE REQUIREMENT THAT AN INSURANCE CARRIER THAT PROVIDES LONG-TERM CARE INSURANCE COVERAGE OFFER A CHOICE BETWEEN TWO SPECIFIED LONG-TERM CARE PLANS IN ADDITION TO ANY OTHER PLAN OFFERED BY THE CARRIER.

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

SECTION 1. Repeal. 10-19-103 (1.5) and (7), Colorado Revised Statutes, are repealed as follows:

10-19-103. Definitions. As used in this article, unless the context otherwise requires:

(1.5) ~~"Basic long-term care plan" means a long-term care insurance plan suitable for sale to persons with moderate incomes developed pursuant to section 10-19-113.5.~~

(7) ~~"Standard long-term care plan" means a long-term care insurance plan suitable for sale to persons with middle or high incomes developed pursuant to section 10-19-113.5.~~

SECTION 2. Repeal. 10-19-113.5, Colorado Revised Statutes, is repealed as follows:

10-19-113.5. Requirement to offer basic and standard long-term care plans - advisory committee established. ~~(1)(a) Effective January 1, 1997, every carrier offering, marketing, or selling long-term care insurance coverage to Colorado residents, as a condition of transacting business in this state, shall actively offer to such persons the choice of a basic long-term care plan or a standard long-term care plan in addition to any other plan or plans offered by that carrier.~~

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

~~(b) This subsection (1) shall not apply to group and individual annuities or life insurance policies or riders that provide directly or that supplement long-term care insurance by means of the acceleration of benefits.~~

~~(2)(a) No later than August 1, 1995, the commissioner shall appoint a long-term care benefit plan advisory committee to recommend the form and level of coverages of the basic and standard long-term care plans. The committee shall be composed of representatives of long-term care insurance carriers, purchasers of long-term care insurance policies, health care providers, producers, and the department of health care policy and financing.~~

~~(b) The committee shall recommend benefit levels, cost-sharing factors, exclusions, limitations, and cost containment features for the basic long-term care plan and the standard long-term care plan. The committee may design a basic long-term care plan and a standard long-term care plan that contain benefit and cost-sharing levels that are consistent with the basic method and operation of health maintenance organizations. In addition, the committee may make recommendations that include different provisions for both the basic long-term care plan and the standard long-term care plan, which differences may be based on the age group of persons seeking long-term care insurance coverage.~~

~~(c) On or before March 1, 1996, the committee shall submit its recommendations for a basic long-term care plan and a standard long-term care plan to the commissioner. The commissioner shall review and approve the plan no later than July 1, 1996. On or before July 1, 1997, and each July 1 thereafter, the committee, if it deems necessary, shall submit recommendations to the commissioner for changes in the plans. The commissioner, within sixty days after the receipt of the submittal, shall approve or deny the recommendations.~~

~~(3) The commissioner may accept funds, grants, or donations from any private entity for the purpose of hiring a full-time person to assist the advisory committee in developing its recommendations for a basic long-term care plan and a standard long-term care plan, to assist the commissioner in adopting rules in accordance with section 10-19-113.7, and to assist in educating carriers and producers about the statutory requirements concerning long-term care policies.~~

SECTION 3. 10-19-113.7, Colorado Revised Statutes, is amended to read:

10-19-113.7. Rules. ~~On or before January 1, 1997,~~ The commissioner shall adopt rules necessary to implement a basic long-term care plan and a standard long-term care plan to be offered by each long-term care insurance carrier as a condition of transacting business in this state and rules establishing minimum standards for marketing practices, producer training, and reporting practices for long-term care insurance. In addition, the commissioner may issue regulations to establish minimum standards concerning suitability.

SECTION 4. Effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution (August 10, 2005, if adjournment sine

die is on May 11, 2005); except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: April 27, 2005