

1 H.390

2 Introduced by Representatives Lenos of Shelburne, Hooper of Montpelier,

3 Macaig of Williston, and South of St. Johnsbury

4 Referred to Committee on

5 Date:

6 Subject: Insurance; long-term care insurance; elimination periods

7 Statement of purpose of bill as introduced: This bill proposes to allow the sale
8 of long-term care insurance policies with elimination periods of up to one year,
9 as long as the consumer is fully informed of the risks prior to purchasing the
10 policy.

11 An act relating to elimination periods for long-term care insurance policies

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. 8 V.S.A. § 8082 is amended to read:

14 § 8082. DEFINITIONS

15 As used in this chapter:

16 * * *

17 (8) "Elimination period" means the specified number of days of
18 out-of-pocket expenses paid by the insured for long-term care services after the
19 insurance benefits are triggered but before the benefits are paid under the
20 policy.

1 Sec. 2. 8 V.S.A. § 8085(b) is amended to read:

2 (b) No long-term care insurance policy may:

3 * * *

4 (8) except as provided in section 8085a of this title, include a deductible
5 or elimination period in excess of 100 days, computed in a manner prescribed
6 by the commissioner by rule, for any covered benefit;

7 * * *

8 Sec. 3. 8 V.S.A. § 8085a is added to read:

9 § 8085a. WAIVER OF LIMITATION ON ELIMINATION PERIOD

10 (a) Except as provided in subsection (b) of this section, a long-term care
11 insurance policy shall not contain an elimination period in excess of 100 days.

12 (b) A long-term care policy may contain an elimination period in excess of
13 100 days but no longer than one year if the following conditions are met:

14 (1) the issuer explains to the applicant the risks of a longer elimination
15 period;

16 (2) the issuer conducts a suitability analysis pursuant to section 8084b of
17 this title;

18 (3) the applicant signs the “Waiver of Elimination Period” form
19 developed by the Commissioner by rule; and

20 (4) the issuer files the waiver form with the Department of Financial
21 Regulation.

1 Sec. 4. EFFECTIVE DATE

2 This act shall take effect on July 1, 2013.