

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board —in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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Consumer Awareness Act on Long-Term Care Inflation Protection

Did you know that global pharmaceutical company Bayer Healthcare was the corporate co-chair in 2011?

Summary

This Act is intended to be introduced in conjunction with the Long-Term Care Insurance Act. The purpose of this bill is to protect the purchaser of long-term care insurance from a reduction in benefits due to inflation.

ALEC's bill requires that no insurer may offer a long-term care insurance policy unless the insurer also offers the insured the option to purchase a policy that increases benefit levels over time to account for inflationary growth. Insurers must offer to each policyholder, at the time of purchase, the option to purchase a policy with an inflation protection feature no less favorable than one of the following:

- A policy that increases benefit levels annually, in a manner so that the increases are compounded annually at a rate not less than five percent;
- A policy that guarantees the insured the right to periodically increase benefit levels; or
- Or a policy that covers a specified percentage of actual or reasonable charges and does not include a maximum specified indemnity amount or limit.

Inflation protection benefit increases under a policy would continue without regard to an insured's age and without regard to whether an insured has or has not had a claim. Inflation protection shall be included in all long-term care insurance policies unless an insurer obtains a rejection of inflation protection signed by the insured.

Model Legislation

{Title, enacting clause, etc.}

Section 1. This Act may be cited as the Consumer Awareness Act on Long-Term Care Inflation Protection.

Section 2. No insurer may offer a long-term care insurance policy unless the insurer also offers to the policyholder in addition to any other inflation protection the option to purchase a policy that provides for inflation protection that provides for benefit levels to increase with benefit maximums or reasonable durations which are meaningful to account for reasonably anticipated increases in the costs of long-term care services covered by the policy. Insurers must offer to each policyholder, at the time of purchase, the option to purchase a policy with an inflation protection feature no less favorable than one of the following:

- (A) Increase benefit levels annually, in a manner so that benefits increase at a rate not less than five percent of the base benefit; or
- (B) Are compounded annually at a rate not less than five percent; or
- (C) Guarantees the insured individual the right to periodically increase benefit levels without providing evidence of insurability or health status so long as the option for the previous period has not been declined. The amount of the additional benefit shall be no less than the difference between the existing policy benefit and that benefit compounded annually at a rate of at least five percent for the period beginning with the purchase of the existing benefit and extending until the year in which the offer is made; or
- (D) Covers a specified percentage of actual or reasonable charges and does not include a maximum specified indemnity amount or limit.

Section 3. Where a policy is issued to a group, the required offer in Subsection A above shall be made to the group policyholder; except, if the policy is issued to a group defined in Section 4 of the Long-Term Care Insurance Act other than to a continuing care retirement community, the offering shall be made to each proposed certificate holder.

Section 4. The offer in Subsection A above shall not be required of life insurance policies or riders containing accelerated long-term care benefits.

Section 5. Insurers shall include the following information in or with the outline of coverage:

(A) A graphic comparison of the benefit levels of a policy that increases benefits over the policy period with a policy that does not increase benefits. The graphic comparison shall show benefit levels over at least a 20 year period.

(B) Any expected premium increases or additional premiums to pay for automatic or optional benefit increases. If premium increases or additional premiums will be based on the attained age of the applicant at the time of the increase, the insurer shall also disclose the magnitude of the potential premiums the applicant would need to pay at ages 75 and 85 for benefit increases.

Section 6. An insurer may use a reasonable hypothetical or a graphic demonstration for the purposes of this disclosure required under

Section 7. Inflation protection benefit increases shall continue without regard to an insured's age and without regard to whether an insured has or has had a claim.

Section 8. An offer of inflation protection which provides for automatic benefit increases shall also include an offer of a premium for such benefits. Such offer shall disclose in a conspicuous manner that the premium is not guaranteed to remain constant unless such a guarantee is made by the insurer.

Section 9. Inflation protection, as provided in Section 1A, paragraph (1) of this Act, shall be included in a long-term care insurance policy unless an insurer obtains a written rejection of inflation protection signed by the insured.

Section 10. {Severability clause.}

Section 11. {Repealer clause.}

Section 12. {Effective date.}

Were your laws repealed?

1995 Sourcebook of American State Legislation. Ammended by the Health and Human Services Task Force in March 2002.

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