Model Legislation

Section 1. This Act may be cited as The Consumer Awareness Act of Future Premium Rates For Long-Term Care Insurance.

Section 2. For any Long Term Care insurance policy or certificate issued or delivered in this state that does not guarantee to a policyholder that the original premium rate will not increase over time, the following language or substantially similar language must be disclosed in bold ten-point type on the cover page of the policy or certificate:

“This policy has premium rates that may rise from time to time for all policyholders based on the claims incurred by all policyholders. Any representation that your rates will not rise is unauthorized and should not be relied upon. Limitations on future rate increases, if there are any, should be stated immediately below this disclosure.”

Section 3. (Severability Clause)

Section 4. (Repealer Clause)

Section 5. (Effective Date)