



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB4728

by Rep. Robyn Gabel

SYNOPSIS AS INTRODUCED:

215 ILCS 5/351A-11.1 new
215 ILCS 5/355

from Ch. 73, par. 967

Amends the Illinois Insurance Code. Provides that, with respect to long-term care insurance coverage, no policy or certificate, or modification thereof, shall be issued or delivered to any person in this State until the classification of risks and the premium rates pertaining thereto have been approved by the Director of Insurance and that any subsequent addition to or change in premium rates shall also be subject to the Director's approval. Sets forth provisions concerning the standards for approval, determinations by the Director, and public hearings. Provides that, with respect to long-term care insurance, a filing of premium rates shall not be considered complete unless it contains all information necessary to justify the premium rate and such other information as the Director may require to determine the rate's compliance with the provision concerning long-term care insurance rates and prior approval. Sets forth additional requirements for rate filings. Effective immediately.

LRB098 17340 RPM 52436 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by
5 changing Section 355 and by adding Section 351A-11.1 as
6 follows:

7 (215 ILCS 5/351A-11.1 new)

8 Sec. 351A-11.1. Long-term care insurance rates; prior
9 approval.

10 (a) With respect to long-term care insurance coverage, no
11 policy or certificate, or modification thereof, shall be issued
12 or delivered to any person in this State until the
13 classification of risks and the premium rates pertaining
14 thereto have been approved by the Director under this Section.
15 Any subsequent addition to or change in premium rates shall
16 also be subject to the Director's approval under this Section.

17 (b) The Director shall disapprove a premium rate under this
18 Section if:

19 (1) the benefits provided are not reasonable in
20 relation to the premium charged;

21 (2) the proposed premium rate is excessive,
22 unjustified, or unfairly discriminatory; or

23 (3) for a given policy form, the premium rate

1 applicable to any particular policy issued on that policy
2 form is increased by an amount exceeding an annual rate cap
3 of 15%.

4 The company proposing the rate has the burden of proving by
5 clear and convincing evidence that the rate does not violate
6 this Section.

7 (c) The Director may request actuarial reasons and data, as
8 well as other information, needed to determine if a
9 previously-approved rate continues to satisfy the requirements
10 of this Section. The Director may withdraw approval of any rate
11 that has previously been approved on any of the grounds set
12 forth in subsection (b) of this Section.

13 (d) The Director, at his or her discretion, may conduct a
14 public hearing on any proposed change in premium rates
15 referenced in subsection (a) of this Section.

16 (215 ILCS 5/355) (from Ch. 73, par. 967)

17 Sec. 355. Accident and health policies-Provisions.†

18 (a) No policy of insurance against loss or damage from the
19 sickness, or from the bodily injury or death of the insured by
20 accident shall be issued or delivered to any person in this
21 State until a copy of the form thereof and of the
22 classification of risks and the premium rates pertaining
23 thereto have been filed with the Director; nor shall it be so
24 issued or delivered until the Director shall have approved such
25 policy pursuant to the provisions of Section 143. If the

1 Director disapproves the policy form he shall make a written
2 decision stating the respects in which such form does not
3 comply with the requirements of law and shall deliver a copy
4 thereof to the company and it shall be unlawful thereafter for
5 any such company to issue any policy in such form.

6 (b) With respect to long-term care insurance, a filing of
7 premium rates pursuant to subsection (a) of this Section shall
8 not be considered complete unless it contains all information
9 necessary to justify the premium rate and such other
10 information as the Director may require to determine the rate's
11 compliance with Section 351A-11.1 of this Code. Each rate
12 filing must also include a certification by a qualified actuary
13 that to the best of the actuary's knowledge and judgment the
14 rate filing is in compliance with applicable laws and
15 regulations and that the premiums are reasonable in relation to
16 the benefits and consistent with company experience. Each rate
17 filing shall also include a certification from an office of the
18 company that the requested increase has been reviewed and
19 authorized by company management. For the purpose of this
20 Section, "long-term care insurance" has the meaning given to it
21 in subsection (a) of Section 351A-1 of this Code.

22 (Source: P.A. 79-777.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.