

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

S

2

SENATE BILL 503\*  
Insurance Committee Substitute Adopted 4/20/89

Short Title: Long-Term Care Insurance.

(Public)

Sponsors:

Referred to:

March 20, 1989

A BILL TO BE ENTITLED

AN ACT TO IMPROVE COVERAGE UNDER LONG-TERM CARE INSURANCE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-545(b) is amended by adding a new subdivision to read:

"(3) Provide coverage for skilled nursing care only or provide significantly more coverage for skilled care in a facility than coverage for lower levels of care."

Sec. 2. G.S. 58-545(c) reads as rewritten:

"(c) Pre-existing condition:

(1) No long-term care insurance policy, other than that issued to a group defined in G.S. 58-543(3)a., or certificate shall use a definition of 'pre-existing condition' that is more restrictive than the following: 'pre-existing condition' means the existence of symptoms that would cause an ordinarily prudent person to seek diagnosis, care or treatment, or a condition for which medical advice or treatment was recommended by, or received from a provider of health care services, within the following limitation periods:

a. ~~Six months preceding the effective date of coverage of an insured person who is 65 years of age or older on the effective date of coverage; or~~

b. ~~Twenty-four months preceding the effective date of coverage of an insured person who is under age 65 on the effective date of~~

~~coverage six months preceding the effective date of coverage of an insured person.~~

- (2) No long-term care insurance policy ~~may, other than that issued to a group defined in G.S. 58-543(3)a., shall~~ exclude coverage for a loss or confinement that is the result of a pre-existing condition unless such loss or confinement begins ~~with the following periods:~~
- a. ~~Six months following the effective date of coverage of an insured person who is 65 years of age or older on the effective date of coverage; or~~
  - b. ~~Twenty-four months following the effective date of coverage of an insured person who is under 65 on the effective date of coverage within six months following the effective date of coverage of an insured person."~~

Sec. 3. G.S. 58-545(d) reads as rewritten:

~~"(d) No long-term care insurance policy that provides benefits only following institutionalization shall condition such benefits upon admission to a facility for the same or related conditions within a period of less than 30 days after discharge from the institution.~~

"(d) Effective September 1, 1989, no long-term care insurance policy may be delivered or issued for delivery in this State if it:

- (1) Conditions eligibility for any benefits on a prior hospitalization requirement; or
- (2) Conditions eligibility for benefits provided in an institutional care setting on the receipt of a higher level of institutional care.

(d1) Effective September 1, 1989, any long-term care insurance policy containing any limitations or conditions for eligibility other than those prohibited by law shall describe in a separate paragraph of the policy, to be entitled 'Limitations or Conditions on Eligibility for Benefits', the limitations or conditions, including any required number of days of confinement.

(d2) A long-term care insurance policy that contains a benefit advertised, marketed, or offered as home health care or a home care benefit may not condition receipt of benefits on a prior institutionalization requirement.

(d3) A long-term care insurance policy that conditions eligibility for non-institutional benefits on the prior receipt of institutional care shall not require a prior institutional stay of more than 30 days for which benefits are paid."

Sec. 4. G.S. 58-545(f) reads as rewritten:

"(f) An individual long-term care insurance policyholder has the right to return the policy within ~~10~~30 days of its delivery and to have the premium refunded if, after examination of the policy, the policyholder is not satisfied for any reason. Individual long-term care insurance policies shall have a notice prominently printed on the first page of the policy or attached thereto stating in substance that unless the policyholder has received benefits under the policy, the policyholder has the right to return the policy within ~~10~~30 days of its delivery and to have the premium refunded if, after examination of the policy, the policyholder is not satisfied for any reason."

1           Sec. 5. G.S. 58-546(a)(11) reads as rewritten:

2           "(11) 'Intermediate care facility' shall be defined in accordance with the  
3           terms of ~~G.S. 131E-176(14)~~ G.S. 131E-176(14b)."

4           Sec. 6. G.S. 58-546 is amended by adding a new subsection to read:

5           "(c) All long-term care insurance policies must be filed with and approved by the  
6           Commissioner before they can be used in this State and are subject to the provisions of  
7           Article 33 of this Chapter."

8           Sec. 7. This act applies to all new and renewal long-term care insurance  
9           policies, as defined in G.S. 58-543(4) and (5), that are delivered or issued for delivery in  
10          this State on and after the effective date of this act.

11          Sec. 8. This act shall become effective September 1, 1989.