

# SENATE BILL 411

C4  
SB 474/19 – FIN

11r2006

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By: **Senator Kramer**

Introduced and read first time: January 15, 2021

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Long-Term Care Insurance – Premium Rate Increases – Restriction**  
3 **(Equity in Long-Term Care Insurance Premiums Act)**

4 FOR the purpose of prohibiting a carrier from imposing a premium rate increase for a policy  
5 or contract of long-term care insurance in a year in which the carrier, or any entity  
6 with which the carrier is affiliated, pays a dividend, or comparable payment, to its  
7 shareholders or a certain bonus or certain benefit to certain executive officers;  
8 providing for the application of this Act; and generally relating to premium rates for  
9 long-term care insurance.

10 BY repealing and reenacting, with amendments,  
11 Article – Insurance  
12 Section 11–703(b)  
13 Annotated Code of Maryland  
14 (2017 Replacement Volume and 2020 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
16 That the Laws of Maryland read as follows:

17 **Article – Insurance**

18 11–703.

19 (b) **(1)** [A] **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,** A carrier  
20 may not change the premium charged to an insured under a policy or contract of long-term  
21 care insurance until the applicable premium rate change has been filed with and approved  
22 by the Commissioner.

23 **(2) A CARRIER MAY NOT IMPOSE A PREMIUM RATE INCREASE FOR A**  
24 **POLICY OR CONTRACT OF LONG-TERM CARE INSURANCE IN A YEAR IN WHICH THE**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 CARRIER, OR ANY ENTITY WITH WHICH THE CARRIER IS AFFILIATED, PAYS:

2 (I) A DIVIDEND, OR COMPARABLE PAYMENT, TO ITS  
3 SHAREHOLDERS; OR

4 (II) A BONUS OR BENEFIT TO ANY OF THE EXECUTIVE OFFICERS  
5 OF THE CARRIER OR ANY ENTITY WITH WHICH THE CARRIER IS AFFILIATED THAT IS  
6 IN ADDITION TO THE CONTRACTUALLY FIXED COMPENSATION PROVIDED TO THE  
7 EXECUTIVE OFFICERS FOR SERVICES PROVIDED BY THE EXECUTIVE OFFICERS.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all:

9 (1) policies, contracts, or certificates of long-term care insurance issued,  
10 delivered, or in effect in the State on or after the effective date of this Act; and

11 (2) rate filings submitted to the Maryland Insurance Commissioner on or  
12 after the effective date of this Act.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 October 1, 2021.