

BUREAU OF INSURANCE RULE CHAPTER 425
LONG-TERM CARE INSURANCE
2022 AMENDMENTS

BASIS STATEMENT AND SUMMARY OF COMMENTS

Chapter 425 has been amended pursuant to the Notice of Rulemaking issued October 22, 2021. A public hearing was convened via audio-visual link on November 23, 2021, and the public comment period was held open until December 6, 2021. Rule 425 was originally adopted on July 1, 2004. The rule was previously amended in 2007 and 2015.

The primary purposes of the proposed 2021 amendments are to increase the notice to policyholders of rate increases from 60 to 90 days prior to the approved rate increase, to amend reporting requirements, and to reflect changes in rating standards consistent with June 2014 amendments to the National Association of Insurance Commissioners Model Regulation. The proposal also makes changes to insurers' annual reporting requirements. Several other minor clarifying changes are proposed.

This rule is proposed in accordance with 24 M.R.S. §§ 2316 and 2321, and by 24-A M.R.S. §§ 212, 2412, 2413, 2414, 2736, 5071, 5072, 5073, 5074, 5075, 5077, 5078, 5080, 5083, and 5084.

Producer Carroll Harper testified at the hearing. No written comments were submitted.

Summary of Comments and Bureau Response

Comment: Mr. Harper questioned why the proposed amendments were necessary since the legislature enacted 24-A M.R.S. § 5084.

Bureau Response: Mr. Harper is correct in noting that the legislature had enacted § 5084. We have proposed the amendments to make the rule consistent with the legislation.

The reference in Section 10, Initial Rate Filing with Superintendent, at subsection A has been updated to refer to Subsection B(2)(f). The reference to the "2021 amendments" in Section 35, Effective Date, has been updated to "2022." The amendments are otherwise adopted as proposed.