

Introduced by

Senators Mathern, Hogan

Representatives P. Anderson, Guggisberg

1 A BILL for an Act to create and enact section 26.1-45-02.1 of the North Dakota Century Code,
2 relating to long-term care insurance policies; to provide for a legislative management study; to
3 provide a penalty; and to provide an expiration date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** Section 26.1-45-02.1 of the North Dakota Century Code is created and
6 enacted as follows:

7 **26.1-45-02.1. Moratorium on the sale, solicitation, and negotiation of long-term care**
8 **insurance policies - Penalty.**

- 9 1. An insurer, fraternal benefit society, nonprofit health, hospital, or medical service
10 corporation, prepaid health plan, health maintenance organization, or any similar
11 entity, or an agent of any such entity, may not sell, solicit, or negotiate a long-term care
12 insurance policy to a resident of this state during the period beginning August 1, 2021,
13 and ending July 31, 2024.
- 14 2. For purposes of this section, "long-term care insurance policy" means an insurance
15 policy primarily advertised, marketed, offered, or designed to provide coverage for not
16 less than twelve consecutive months for each covered person on an expense incurred,
17 indemnity, prepaid, or other basis, for one or more necessary or medically necessary
18 diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care
19 services provided in a setting other than an acute care unit of a hospital. The term
20 includes qualified long-term care insurance contracts. The term includes long-term
21 care insurance products issued by insurers; fraternal benefit societies; nonprofit
22 health, hospital, and medical service corporations; prepaid health plans; health
23 maintenance organizations; or a similar organization to the extent that the organization
24 is otherwise authorized to issue life or health insurance. The term does not include an

1 insurance policy offered primarily to provide basic Medicare supplement coverage,
2 basic hospital expense coverage, basic medical-surgical expenses coverage, hospital
3 confinement indemnity coverage, major medical expense coverage, disability income
4 or related asset-protection coverage, accident only coverage, specified disease or
5 specified accident coverage, or limited benefit health coverage.

6 3. The insurance commissioner may adopt rules necessary for the administration of this
7 section, including rules governing initial filing requirements and premium increases.

8 4. An insurer, fraternal benefit society, nonprofit health, hospital, or medical service
9 corporation, prepaid health plan, health maintenance organization, or any similar entity
10 or agent of any such entity that violates this section is subject to a civil fine in an
11 amount not to exceed ten thousand dollars for each violation. The fine may be
12 collected and recovered in an action brought in the name of the state.

13 **SECTION 2. LEGISLATIVE MANAGEMENT STUDY - LONG-TERM INSURANCE**

14 **MARKET.** During the 2021-22 interim, the legislative management shall consider studying the
15 long-term care insurance market in the state. As requested, the ten largest long-term care
16 insurance insurers in the state shall participate in this study to review the current premium
17 market, benefits, and consumer options in relation to premium increases and overall market.
18 The legislative management shall report its findings and recommendations, together with any
19 legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

20 **SECTION 3. EXPIRATION DATE.** Section 1 of this Act is effective through July 31, 2024,
21 and after that date is ineffective.