An Act

ENROLLED SENATE
BILL NO. 1874

By: Stanislawski of the Senate

and

Mulready of the House

An Act relating to the Oklahoma Long-Term Care Partnership Program; requiring certain policies to meet certain criteria; providing standards for criteria; providing definition; permitting Insurance Commissioner to use alternative index for certain purpose; providing for codification; and providing an effective date.

SUBJECT: Inflation protection coverage requirements for long-term care insurance

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4400 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. In accordance with Section 6021 of the Deficit Reduction Act of 2005 (P.L. 109-171) and any applicable provision relating to the Oklahoma Long-Term Care Insurance Partnership Program, any policy intended to meet the requirements under such Program must meet the following criteria for inflation protection coverage:

1. For a person who is less than sixty-one (61) years of age as of the date of purchase of the Partnership policy, such policy provides annual inflation protection of at least three percent (3%) per year compounded annually or a rate, compounded annually, that is based upon changes in the consumer price index;

2. For a person who is at least sixty-one (61) years of age but less than seventy-six (76) years of age as of the date of purchase of the Partnership policy, such policy provides annual inflation protection of at least three percent (3%) simple or a rate that is based on the annual consumer price index;

3. For a person who is at least seventy-six (76) years of age as of the date of purchase of the Partnership policy, such policy may provide inflation protection.

B. Persons who purchase a Partnership policy that meets the inflation protection criteria in subsection A of this section may adjust their inflation protection as they age. Their policies will maintain Partnership status as long as the inflation protection continues to meet the minimum requirements for their attained age.

C. For the purposes of this section, "consumer price index" means the consumer price index for all urban consumers as determined by the Bureau of Labor Statistics within the United States Department of Labor. The Insurance Commissioner may approve an alternative index to be used in place of the consumer price index or alternative inflation protection programs developed by the insurer if the Commissioner deems that such programs would meet the intent of this section.

SECTION 2. This act shall become effective November 1, 2014.

Passed the Senate the 6th day of March, 2014.

Presiding Officer of the Senate

Passed the House of Representatives the 14th day of April, 2014.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 15th

day of April, 20 14, at 3:46 o'clock P M.

By: Audrey Rockwell

Approved by the Governor of the State of Oklahoma this 21st

day of April, 20 14, at 2:46 o'clock P M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 21st

day of April, 20 14, at 5:40 o'clock P. M.

By: Chi Benge