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Title 22@ Social Security

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Division 3@ Health Care Services

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Subdivision 1@ California Medical Assistance Program

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Chapter 8@ CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE

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Article 4@ PREMIUM PROVISIONS

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Section 58065@ Basic Premium Provisions

58065 Basic Premium Provisions

(a)

The initial premiums for Partnership Policies and Certificates issued or delivered shall either: (1) remain level for the life of the Policy or Certificate; or, (2) increase annually at the rate of no more than five percent (5%) for each year the Partnership Policy or Certificate is in force, in order to provide inflation protection.

(1)

remain level for the life of the Policy or Certificate; or,

(2)

increase annually at the rate of no more than five percent (5%) for each year the Partnership Policy or Certificate is in force, in order to provide inflation protection.

(b)

The initial premiums for all Partnership Policies and Certificates, whether such Policies or Certificates were issued or delivered with premiums that remain level for the life of the Policy or Certificate or that increase annually at a rate no more than of five percent (5), shall be: (1) based on the age of the applicant; and, (2) based on premium rates for which there is a reasonable expectation that rate increases will not be necessary in the future. The Department of Health Services shall not certify a Policy or Certificate and the Department of Insurance shall not approve the premium rates unless a determination is made, based on a review of the Insurer's rate experience with prior offerings, financial condition, and an

actuarial review of the rates and assumptions by the Department of Insurance, that there is a reasonable expectation that no rate increase on the Policy or Certificate will be necessary over the life of the Policy or Certificate.

(1)

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(2)

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(c)

The actuarial filings and premium schedules for indemnity Policies and Certificates shall be presented in units of ten dollars (\$10).

(d)

The premium for the original Partnership Policy or Certificate as well as any optional rider(s) in force shall be waived during all periods during which the Policy or Certificate holder is receiving nursing facility or Residential Care Facility benefits under the Policy or Certificate. Issuers may elect to waive premiums when home and community-based care services are received.

(e)

Any Issuer offering a guarantee of premium on a long-term care Policy or Certificate must offer the guarantee for a period of no less than ten (10) years.

(f)

Nothing in this subdivision shall preclude an Issuer from reducing premiums or using a Policy form or Certificate form in which the premiums are no longer required to be paid after a specified period of time.

(g)

Self-funded Issuers not subject to compliance with the California Insurance Code are exempt from the requirements of Subsection (b)(2), above.