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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 58066@ Provisions Governing Premiums When Benefits Increase or Decrease

58066 Provisions Governing Premiums When Benefits Increase or Decrease

(a)

The extra premiums for the optional rider(s) that add a Shortened Benefit Period Non-Forfeiture Benefit described in Section 58059 (I) and/or that increase the amounts of the covered benefits of the Policy or Certificate as provided in Section 58061(a)(1)(2) and (3) shall be in the same form as the original Policy--either remain level for the life of the Policy or increase annually at no more than five percent (5%). The extra premiums for the optional rider(s) may be based on the attained age of the Policy or Certificate holder at the time the rider is elected. Premiums for the optional riders shall be filed and approved by the Department of Insurance at the time rates are filed initially. For the optional riders allowed in Section 58061(a)(1) and (2), the premiums for each additional \$10 unit of a covered benefit shall be the rate that corresponds to the current attained age of the Policy or Certificate holder as such rates were filed initially and approved by the Department of Insurance. For the optional riders allowed in Section 58061(a)(3), the premium for the increase in the lifetime maximum benefit shall be the difference in premiums between the new lifetime maximum benefit elected and the lifetime maximum benefit of the current Policy or Certificate, based on the rates filed initially and approved by the Department of Insurance and the current attained age of the Policy or Certificate holder. The premium for the underlying

coverage of the original Policy or Certificate shall not be changed by the addition of one or more riders and shall continue to be based on the age of the Policy or Certificate holder on the date when the original Policy or Certificate was issued or delivered.

(b)

When an Issuer replaces a non-Partnership or a Partnership Policy or Certificate it has previously issued with either a new non-Partnership or Partnership Policy or Certificate, the Issuer shall recognize past insured status by granting a premium credit that meets the requirements of Insurance Code 10234.87, and satisfies the following conditions: (1) a credit equal to or not less than five percent (5%) of the premium for the original policy or certificate for each full year the original policy or certificate was in force shall be given toward all subsequent premium payments for the replacement policy or certificate. However, the cumulative credit allowed need not exceed fifty percent (50%). (2) no credit need be provided if a claim has been filed under the original policy or certificate. The cumulative credits allowed need not reduce the premium for the replacement policy to less than the premium for the original policy or certificate. No credit need be provided if there is no difference between the premium for the replacement policy or certificate and the premium for the current policy or certificate.

(1)

a credit equal to or not less than five percent (5%) of the premium for the original policy or certificate for each full year the original policy or certificate was in force shall be given toward all subsequent premium payments for the replacement policy or certificate. However, the cumulative credit allowed need not exceed fifty percent (50%).

(2)

no credit need be provided if a claim has been filed under the original policy or

certificate. The cumulative credits allowed need not reduce the premium for the replacement policy to less than the premium for the original policy or certificate. No credit need be provided if there is no difference between the premium for the replacement policy or certificate and the premium for the current policy or certificate.

(c)

The premium when a Partnership Policy or Certificate holder elects to reduce the coverage of the original Policy or Certificate as provided in Section 58061(c)(1)(2) and (3) will be calculated as follows: (1) the premium will be based on the reduced amount of coverage elected and the age of the Policy or Certificate holder at issue age; and (2) the premium reductions from the change in coverage shall be applied toward all future premium payments.

(1)

the premium will be based on the reduced amount of coverage elected and the age of the Policy or Certificate holder at issue age; and

(2)

the premium reductions from the change in coverage shall be applied toward all future premium payments.

(d)

Self-funded Issuers not subject to compliance with the California Insurance Code are exempt from the requirements of Subsection (a), above, that premiums for the optional riders be submitted to and approved by the Department of Insurance.