

Informal Working Draft and Request for Informal Comments on Proposed New Long-Term Care Rule

Texas Administrative Code, Title 28, Chapter 3, Subchapter Y, Division 2, Section 3.3850

Posting date: January 14, 2019

Comments due: January 29, 2019

The Texas Department of Insurance has prepared an informal working draft of new Section 3.3850 (relating to Alternative Standards and Rates), which can be used as an alternative to the system of regulation of standards and rates for long-term care (LTC) policies currently provided in 28 Texas Administrative Code Section 3.3831 (relating to Standards and Rates).

The new section would provide a standard for approving alternative standards and rates, lists factors that will be considered in evaluating alternative premium rate schedules, and specifies the content of required filings.

Insurance Code Section 1651.055(b) required the Commissioner to adopt rules to stabilize LTC insurance premiums, consistent with nationally recognized models that existed on January 1, 2001, relating to the stabilization of those rates. Section 1651.055(b) also allowed the Commissioner to adopt rules consistent with any of those models as amended after January 1, 2001.

Senate Bill 1492, 85th Legislature, Regular Session (2017) repealed Insurance Code §1651.055(b) because of concerns that it tends to amplify rate shock and lapse issues resulting from large rate increases approved by regulators in the LTC insurance field. With the repeal of Section 1651.055(b), the Commissioner can develop a Texas standard to improve rate adequacy and promote stability in the state's LTC insurance market, even if that standard does not follow nationally recognized models.

TDI wants your input on the informal working draft of new Section 3.3850. This is an informal posting to gather comments from stakeholders and the general public and is not a formal publication for rulemaking.

The comment period for this informal working draft will close at 5:00 p.m., central time, on January 29, 2019. Send your comments to Raja Malkani in the Life and Health Lines Actuarial Office at Raja.Malkani@tdi.texas.gov, or call 512-676-6652 for more information about this informal working draft.

[Continue to informal draft of Refund of Proposed Long-Term Care Rule](#)