

1 ENGROSSED SENATE
2 BILL NO. 1874

By: Stanislawski of the Senate

3 and

4 Mulready of the House

5
6 An Act relating to the Oklahoma Long-Term Care
7 Partnership Program; requiring certain policies to
8 meet certain criteria; providing standards for
9 criteria; providing definition; permitting Insurance
Commissioner to use alternative index for certain
purpose; providing for codification; and providing an
effective date.

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

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

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

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

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

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

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

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

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