

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

House Bill 4515

FISCAL
NOTE

By Delegate Hornbuckle

[Introduced January 10, 2024 ; Referred to
the Committee on Banking and Insurance then Health
and Human Resources]

1 A BILL to amend and reenact §33-13-25 of the Code of West Virginia, 1931, as amended, to
 2 amend and reenact §33-14-8 of said code; to amend and reenact §33-15A-6 of said code;
 3 to amend and reenact §33-15-1b of said code; to amend said code by adding thereto new
 4 section, designated §33-16-11a; and to amend and reenact §33-25-8 of said code, all
 5 relating to prohibiting an insurer from declining or limiting coverage on a person under any
 6 life insurance policy, major medical coverage policy, disability insurance policy, or long-
 7 term care insurance policy solely due to the status of that person as a living organ donor.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13. LIFE INSURANCE.

§33-13-25. Limitation of liability.

1 (a) No policy of life insurance shall may be delivered or issued for delivery in this state if it
 2 contains a provision which excludes or restricts liability for death caused in a certain specified
 3 manner or occurring while the insured has a specified status, except that a policy may contain
 4 provisions excluding or restricting coverage as specified therein ~~in the event of~~ if there is a death
 5 under any one or more of the following circumstances:

6 (1) Death as a result, directly or indirectly, of war, declared or undeclared, or of action by
 7 military forces, or of any act or hazard of such war or action, or of service in the military, naval, or
 8 air forces or in civilian forces auxiliary thereto, or from any cause while a member of ~~such~~ the
 9 military, naval, or air forces of any country at war, declared or undeclared, or of any country
 10 engaged in such military action;

11 (2) Death as a result of aviation;

12 (3) Death as a result of a specified hazardous occupation or occupations;

13 (4) Death while the insured is outside continental United States and Canada;

14 (5) Death within two years from the date of issue of the policy as a result of suicide, while
15 sane or insane.

16 (b) A policy which contains any exclusion or restriction pursuant to subsection (a) of this

17 section shall also provide that ~~in the event of~~ if there is a death under the circumstances to which
 18 any such exclusion or restriction is applicable, the insurer ~~will~~ shall pay an amount not less than a
 19 reserve determined according to the commissioners' reserve valuation method upon the basis of
 20 the mortality table and interest rate specified in the policy for the calculation of nonforfeiture
 21 benefits (or if the policy provides for no such benefits, computed according to a mortality table and
 22 interest rate determined by the insurer and specified in the policy) with adjustment for
 23 indebtedness or dividend credit.

24 (c) This section ~~shall~~ may not apply to group life insurance, accident and sickness
 25 insurance, reinsurance, or annuities, or to any provision in a life insurance policy relating to
 26 disability benefits or to additional benefits ~~in the event of~~ if there is a death by accident or
 27 accidental means.

28 (d) Notwithstanding any other provision of law, it is unlawful to:

29 (1) Decline or limit coverage on a person under any life insurance policy, solely due to the
 30 status of that person as a living organ donor. The Insurance Commissioner may take such actions
 31 authorized under this section that are necessary to enforce this section;

32 (2) Preclude an insured from donating all or part of an organ as a condition of continuing to
 33 receive a life insurance policy; or

34 (3) Otherwise discriminate in the offering, issuance, cancellation, amount of the coverage,
 35 price, or any other condition of a life insurance policy, for a person, based solely and without any
 36 additional actuarial risks upon the status of the person as a living organ donor.

37 ~~(d)~~ (e) Nothing contained in this section ~~shall~~ may prohibit any provision which in the
 38 opinion of the commissioner is more favorable to the policyholder than a provision permitted by
 39 this section.

ARTICLE 14. GROUP LIFE INSURANCE.

§33-14-8. Group life standard provisions.

1 (a) Except as set forth in subsection (b), below, no policy of group life insurance ~~shall~~ may

2 be delivered in this state unless it contains in substance the standard provisions as required by
 3 §33-14-9 to 18, inclusive, of this code, or provisions which in the opinion of the commissioner are
 4 more favorable to the persons insured, or at least as favorable to the persons insured and more
 5 favorable to the policyholder.

6 (b) ~~The provisions of §33-14-14 to §33-14-18, inclusive, of this code shall~~ may not apply to
 7 policies issued to a creditor to insure debtors of such creditor. The standard provisions required for
 8 individual life insurance policies ~~shall~~ may not apply to group life insurance policies. If the group life
 9 insurance policy is on a plan of insurance other than the term plan, it shall contain a nonforfeiture
 10 provision or provisions which in the opinion of the commissioner is or are equitable to the insured
 11 persons and to the policyholder, but nothing herein ~~shall~~ may be construed to require that group
 12 life insurance policies contain the same nonforfeiture provisions as are required for individual life
 13 insurance policies.

14 (c) Notwithstanding any other provision of this article, it is unlawful to:

15 (1) Decline or limit coverage on a person under any policy of group life insurance policy
 16 solely due to the status of that person as a living organ donor. The Insurance Commissioner may
 17 take such actions authorized under this section that are necessary to enforce this section;

18 (2) Preclude an insured from donating all or part of an organ as a condition of continuing to
 19 receive; or

20 (3) Otherwise discriminate in the offering, issuance, cancellation, amount of the coverage,
 21 price, or any other condition of a group life insurance policy for a person, based solely and without
 22 any additional actuarial risks upon the status of the person as a living organ donor.

ARTICLE 15. ACCIDENT AND SICKNESS INSURANCE.

§33-15-1b. Rates, individual major medical policies.

1 (a) No individual major medical coverage policy may be approved by the commissioner for
 2 use in this state unless:

3 (1) The premium rates for the policy, after adjustment for any difference in policy benefits,

4 which include, but are not limited to, deductibles, copayments and levels of care management, do
5 not exceed by more than 30 percent the premium rates charged by the same insurer on any and all
6 other individual major medical policies for those individuals with similar characteristics and factors,
7 which the insurer has had approved by the commissioner within a five-year period preceding the
8 date of the new policy filing by the insurer;

9 (2) The insurer files with the commissioner the opinion of a qualified actuary or other
10 person acceptable to the commissioner which states:

11 (A) That the policy premium rate is in compliance with subdivision (1) of this subsection;
12 and

13 (B) That the anticipated loss ratio for the combined experience of the policy taken together
14 with all other individual major medical coverage policies which the insurer has had approved by
15 the commissioner within a five-year period preceding the date of the new policy filing is equal to or
16 greater than the loss ratio requirements set forth in §33-15-1a of this ~~article~~ code.

17 (3) For a period of three years after the effective date of this section, an insurer may have
18 one or more policy forms which exceed the 130 percent requirement of subdivision (2) of this
19 subsection: *Provided*, That any rate schedule increase for such ~~the~~ the policy form shall ~~shall~~ may not
20 exceed 33 and one-third percent of the rate schedule increase for the lowest rate policy form.
21 During the final 12 months of this three- year period, an insurer may request an extension of time
22 for compliance from the commissioner based on extenuating circumstances.

23 (b) An initial individual major medical policy form may be disapproved by the commissioner
24 if the commissioner determines that the rates proposed by the insurer for the policy form are set at
25 a level substantially less than rates charged by other insurers for comparable insurance coverage.

26 (c) Nothing contained in this section may be construed to prevent the use of age, sex, area,
27 industry, occupational, and avocational factors in setting premium rates or to prevent the use of
28 different rates after approval by the commissioner for smokers and nonsmokers or for any other
29 habit or habits of an insured person which have a statistically proven effect on the health of the

30 person. Nothing contained in this section ~~shall~~ may preclude the establishment of a substandard
31 classification based upon the health condition of the insured: *Provided*, That the initial
32 classification may not be changed adversely to the insured after the initial issuance of the policy.

33 (d) The commissioner ~~has the right~~ may, upon application by an insurer, and for good
34 cause shown, to grant relief from any requirement of this section.

35 (e) Notwithstanding any other provision of this article, it is unlawful to:

36 (1) Decline or limit coverage on a person under major medical coverage policy solely due
37 to the status of that person as a living organ donor. The Insurance Commissioner may take such
38 actions authorized under this section that are necessary to enforce this section;

39 (2) Preclude an insured from donating all or part of an organ as a condition of continuing to
40 receive a major medical coverage policy; or

41 (3) Otherwise discriminate in the offering, issuance, cancellation, amount of the coverage,
42 price, or any other condition of a major medical coverage policy for a person, based solely and
43 without any additional actuarial risks upon the status of the person as a living organ donor.

ARTICLE 15A. WEST VIRGINIA LONG-TERM CARE INSURANCE ACT.

§33-15A-6. Disclosure and performance standards for long-term care insurance.

1 (a) The commissioner may adopt rules that include standards for full and fair disclosure
2 setting forth the manner, content and required disclosures for the sale of long-term care insurance
3 policies, terms of renewability, initial and subsequent conditions of eligibility, nonduplication of
4 coverage provisions, coverage of dependents, preexisting conditions, termination of insurance,
5 continuation or conversion, probationary periods, limitations, exceptions, reductions, elimination
6 periods, requirements for replacement, recurrent conditions and definitions of terms.

7 (b) No long-term care insurance policy may:

8 (1) Be canceled, nonrenewed or otherwise terminated on the grounds of the age or the
9 deterioration of the mental or physical health of the insured individual or certificate holder;

10 (2) Contain a provision establishing a new waiting period in the event existing coverage is

11 converted to or replaced by a new or other form within the same company, except with respect to
12 an increase in benefits voluntarily selected by the insured individual or group policyholder; or

13 (3) Provide coverage for skilled nursing care only or provide significantly more coverage
14 for skilled care in a facility than coverage for lower levels of care.

15 (c) Preexisting condition:

16 (1) No long-term care insurance policy or certificate other than a policy or certificate
17 thereunder issued to a group as defined in §33-15-4(e)(1) of this code shall may use a definition of
18 "preexisting condition" that is more restrictive than the following: Preexisting condition means a
19 condition for which medical advice or treatment was recommended by, or received from, a
20 provider of health care services within six months preceding the effective date of coverage of an
21 insured person.

22 (2) No long-term care insurance policy or certificate other than a policy or certificate
23 thereunder issued to a group as defined in §33-15-4(e)(1) of this code may exclude coverage for a
24 loss or confinement that is the result of a preexisting condition unless loss or confinement begins
25 within six months following the effective date of coverage of an insured person.

26 (3) The commissioner may extend the limitation periods set forth in subdivision (1) and (2),
27 subsection (c) of this section as to specific age group categories in specific policy forms upon
28 findings that the extension is in the best interest of the public.

29 (4) The definition of "preexisting condition" does not prohibit an insurer from using an
30 application form designed to elicit the complete health history of an applicant, and, on the basis of
31 the answers on that application, from underwriting in accordance with that insurer's established
32 underwriting standards. Unless otherwise provided in the policy or certificate, a preexisting
33 condition, regardless of whether it is disclosed on the application, need not be covered until the
34 waiting period described in subdivision (2), subsection (c) of this section expires. No long-term
35 care insurance policy or certificate may exclude or use waivers or riders of any kind to exclude,
36 limit or reduce coverage or benefits for specifically named or described preexisting diseases or

37 physical conditions beyond the waiting period described in subdivision (2), subsection (c) of this
38 section.

39 (d) Prior hospitalization/institutionalization:

40 (1) No long-term care insurance policy may be delivered or issued for delivery in this state
41 if the policy:

42 (A) Conditions eligibility for any benefits on a prior hospitalization requirement;

43 (B) Conditions eligibility for benefits provided in an institutional care setting on the receipt
44 of a higher level of institutional care; or

45 (C) Conditions eligibility for any benefits other than waiver of premium, post-confinement,
46 post-acute care, or recuperative benefits on a prior institutionalization requirement.

47 (2)(A) A long-term care insurance policy containing post-confinement, post-acute care or
48 recuperative benefits shall clearly label in a separate paragraph of the policy or certificate entitled
49 "Limitations or Conditions on Eligibility for Benefits" ~~such~~ the limitations or conditions, including
50 any required number of days of confinement.

51 (B) A long-term care insurance policy or rider that conditions eligibility of noninstitutional
52 benefits on the prior receipt of institutional care ~~shall~~ may not require a prior institutional stay of
53 more than 30 days.

54 (3) No long-term care insurance policy or rider that provides benefits only following
55 institutionalization shall condition ~~such~~ the benefits upon admission to a facility for the same or
56 related conditions within a period of less than 30 days after discharge from the institution.

57 (e) Notwithstanding any other provision of this article, it is unlawful to:

58 (1) Decline or limit coverage on a person under long-term care insurance policy, solely due
59 to the status of that person as a living organ donor. The Insurance Commissioner may take such
60 actions authorized under this section that are necessary to enforce this section;

61 (2) Preclude an insured from donating all or part of an organ as a condition of continuing to
62 receive a long-term care insurance policy; or

63 (3) Otherwise discriminate in the offering, issuance, cancellation, amount of the coverage,
64 price, or any other condition of a life insurance policy, disability insurance policy, or long-term care
65 insurance policy for a person, based solely and without any additional actuarial risks upon the
66 status of the person as a living organ donor.

67 ~~(e)~~ (f) The commissioner may adopt rules establishing loss ratio standards for long-term
68 care insurance policies provided that a specific reference to long-term care insurance policies is
69 contained in the rule.

70 ~~(f)~~ (g) Right to return - free look:

71 (1) Long-term care insurance applicants ~~shall have the right to~~ may return the policy or
72 certificate within 30 days of its delivery and to have the premium refunded if, after examination of
73 the policy or certificate, the applicant is not satisfied for any reason. Long-term care insurance
74 policies and certificates shall have a notice prominently printed on the first page or attached
75 thereto stating in substance that the applicant ~~shall have the right to~~ may return the policy or
76 certificate within 30 days of its delivery and to have the premium refunded if, after examination of
77 the policy or certificate, other than a certificate issued pursuant to a policy issued to a group
78 defined in §33-15-4(e)(1) of this code, the applicant is not satisfied for any reason.

79 (2) This subsection shall also apply to denials of applications and any refund ~~must~~ shall be
80 made within 30 days of the return or denial.

81 ~~(g)~~ (h) Outline of coverage:

82 (1) An outline of coverage shall be delivered to a prospective applicant for long-term care
83 insurance at the time of initial solicitation through means that prominently direct the attention of the
84 recipient to the document and its purpose.

85 (A) The commissioner shall prescribe a standard format, including style, arrangement and
86 overall appearance, and the content of an outline of coverage.

87 (B) In the case of agent solicitations, an agent ~~must~~ shall deliver the outline of coverage
88 prior to the presentation of an application or enrollment form.

89 (C) In the case of direct response solicitations, the outline of coverage ~~must~~ shall be
90 presented in conjunction with any application or enrollment form.

91 (D) ~~In the case of~~ If a policy is issued to a group defined in §33-15-4(e)(1) of this code, an
92 outline of coverage ~~shall~~ may not be required to be delivered, provided that the information
93 described in paragraphs (A) through (F), inclusive, subdivision (2) of this subsection is contained
94 in other materials relating to enrollment. Upon request, these other materials shall be made
95 available to the commissioner.

96 (2) The outline of coverage shall include:

97 (A) A description of the principal benefits and coverage provided in the policy;

98 (B) A statement of the principal exclusions, reductions, and limitations contained in the
99 policy;

100 (C) A statement of the terms under which the policy or certificate, or both, may be
101 continued in force or discontinued, including any reservation in the policy of a right to change
102 premium. Continuation or conversion provisions of group coverage shall be specifically described;

103 (D) A statement that the outline of coverage is a summary only, not a contract of insurance,
104 and that the policy or group master policy contain governing contractual provisions;

105 (E) A description of the terms under which the policy or certificate may be returned and
106 premium refunded;

107 (F) A brief description of the relationship of cost of care and benefits; and

108 (G) A statement that discloses to the policyholder or certificate holder whether the policy is
109 intended to be a federally tax-qualified long-term care insurance contract under Section
110 7702(B)(b) of the Internal Revenue Code of 1986, as amended.

111 ~~(H)~~ (i) A certificate issued pursuant to a group long-term care insurance policy that is
112 delivered or issued for delivery in this state shall include:

113 (1) A description of the principal benefits and coverage provided in the policy;

114 (2) A statement of the principal exclusions, reductions and limitations contained in the

115 policy; and

116 (3) A statement that the group master policy determines governing contractual provisions.

117 ~~(j)~~ (i) If an applicant for a long-term care insurance contract or certificate is approved, the
118 issuer shall deliver the contract or certificate of insurance to the applicant no later than 30 days
119 after the date of approval.

120 ~~(j)~~ (k) At the time of policy delivery, a policy summary shall be delivered for an individual life
121 insurance policy that provides long-term care benefits within the policy or by rider. In the case of
122 direct response solicitations, the insurer shall deliver the policy summary upon the applicant's
123 request, but regardless of request shall make delivery no later than at the time of policy delivery. In
124 addition to complying with all applicable requirements, the summary shall also include:

125 (1) An explanation of how the long-term care benefit interacts with other components of the
126 policy, including deductions from death benefits;

127 (2) An illustration of the amount of benefits, the length of benefit, and the guaranteed
128 lifetime benefits if any, for each covered person;

129 (3) Any exclusions, reductions, and limitations on benefits of long-term care;

130 (4) A statement that any long-term care inflation protection option required by section eight
131 of the commissioner's rule relating to long-term care insurance is not available under this policy;
132 and

133 (5) If applicable to the policy type, the summary shall also include:

134 (A) A disclosure of the effects of exercising other rights under the policy;

135 (B) A disclosure of guarantees related to long-term care costs of insurance charges; and

136 (C) Current and projected maximum lifetime benefits.

137 ~~(k)~~ (l) Any time a long-term care benefit, funded through a life insurance vehicle by the
138 acceleration of the death benefit, is in benefit payment status, a monthly report shall be provided to
139 the policyholder. The report shall include:

140 (1) Any long-term care benefits paid out during the month;

141 (2) An explanation of any changes in the policy, for example death benefits or cash values,
142 due to long-term care benefits being paid out; and

143 (3) The amount of long-term care benefits existing or remaining.

144 (4)(m) If a claim under a long-term care insurance contract is denied, the issuer shall, within
145 sixty days of the date of a written request by the policyholder or certificate holder, or a
146 representative thereof:

147 (1) Provide a written explanation of the reasons for the denial; and

148 (2) Make available all information directly related to the denial.

149 (m) (n) Any policy or rider advertised, marketed, or offered as long-term care or nursing
150 home insurance shall comply with the provisions of this article.

ARTICLE 16. GROUP ACCIDENT AND SICKNESS INSURANCE.

**§33-16-11a. Group policies not to decline or limit coverage solely due to status of person as
a living organ donor.**

1 Notwithstanding any other provision of law, it is unlawful to:

2 (1) Decline or limit coverage on a person under a group major medical coverage policy
3 solely due to the status of that person as a living organ donor. The Insurance Commissioner may
4 take such actions authorized under this section that are necessary to enforce this section;

5 (2) Preclude an insured from donating all or part of an organ as a condition of continuing to
6 receive a group major medical coverage policy; or

7 (3) Otherwise discriminate in the offering, issuance, cancellation, amount of the coverage,
8 price, or any other condition of a group major medical coverage policy for a person, based solely
9 and without any additional actuarial risks upon the status of the person as a living organ donor.

ARTICLE 25. HEALTH CARE CORPORATIONS.

**§33-25-8. Commissioner to enforce article; approval of contracts, forms, and rates; reserve
fund; membership fee.**

1 (a) ~~It shall be the duty of the~~ The commissioner to shall enforce the provisions of this
2 article.

3 (b) No ~~such~~ corporation ~~shall~~ may deliver or issue for delivery any subscriber's contract,
4 changes in the terms of ~~such~~ the contract, application, rider, or endorsement until a copy thereof
5 and the rates pertaining thereto have been filed with and approved by the commissioner. All such
6 forms filed with the commissioner ~~shall be deemed~~ are considered approved after the expiration of
7 30 days from the date of ~~such~~ the filing unless the commissioner ~~shall have~~ has disapproved the
8 same, stating his or her reasons for ~~such~~ the disapproval in writing, except that ~~such~~ the period
9 may be extended for an additional period not to exceed 15 days upon written notice thereof from
10 the commissioner to the applicant. ~~Such~~ The forms may be used prior to the expiration of ~~such~~
11 those periods if written approval thereof has been received from the commissioner.

12 (c) No rates to be charged subscribers ~~shall~~ may be used or established by any such
13 corporation unless and until the ~~same~~ rates have been filed with the commissioner and approved
14 by him or her. The procedure for ~~such~~ the filing and approval shall be the same as that prescribed
15 in subsection (b) of this section for the approval of forms. The commissioner shall approve all ~~such~~
16 rates which are not excessive, inadequate, or unfairly discriminatory.

17 (d) The commissioner shall pass upon the actuarial soundness of all direct health care
18 services plans.

19 (e) The corporation shall accumulate a fund to be derived from a minimum of two percent
20 of every subscriber's monthly premium which shall be known as a contingency and liability reserve
21 fund except that the same shall not exceed an amount equal to three months' average obligation of
22 said corporation, nor ~~shall~~ may it fall below a minimum of one month's average obligation of said
23 corporation. Said fund shall be expended by the corporation according to rules and regulations to
24 be promulgated by the commissioner.

25 In addition to the above requirements, every subscriber shall pay into the corporation a
26 membership fee equal to one monthly premium. The membership fee shall be collected in full by

27 ~~said the~~ corporation within 90 days of said subscriber's application for membership.

28 (f) Each such rate filing, and each such form filing made with the commissioner pursuant to
29 this section is subject to the filing fee of §33-6-34 of this ~~chapter~~ code.

30 (g) Notwithstanding any other provision of this article, it is unlawful to:

31 (1) Decline or limit coverage on a person under any health corporation major medical
32 coverage policy solely due to the status of that person as a living organ donor. The Insurance
33 Commissioner may take such actions authorized under this section that are necessary to enforce
34 this section;

35 (2) Preclude an insured from donating all or part of an organ as a condition of continuing to
36 receive a major medical coverage policy; or

37 (3) Otherwise discriminate in the offering, issuance, cancellation, amount of the coverage,
38 price, or any other condition of a major medical coverage policy for a person, based solely and
39 without any additional actuarial risks upon the status of the person as a living organ donor.

NOTE: The purpose of this bill is to prohibit an insurer from declining or limiting coverage on a person under any life insurance policy, major medical coverage policy, disability insurance policy, or long-term care insurance policy solely due to the status of that person as a living organ donor.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.