

SENATE BILL NO. 2112

Introduced by

Industry, Business and Labor Committee

(At the request of the Commissioner of Insurance)

1 A BILL for an Act to create and enact section 26.1-45-08.1 of the North Dakota Century Code,
2 relating to nonforfeiture benefits of long-term care insurance.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** Section 26.1-45-08.1 of the North Dakota Century Code is created and
5 enacted as follows:

6 **26.1-45-08.1. Nonforfeiture benefits.**

- 7 1. Except as provided in subsection 2, a long-term care insurance policy may not be
8 issued unless the policyholder or certificate holder has been offered the option of
9 purchasing a policy or certificate including a nonforfeiture benefit. The offer of a
10 nonforfeiture benefit may be in the form of a rider that is attached to the policy. In
11 the event the policyholder or certificate holder declines the nonforfeiture benefit,
12 the insurer shall provide a contingent nonforfeiture benefit upon lapse which must
13 be available for a specific period of time following a substantial increase in
14 premium rates.
- 15 2. When a group long-term care insurance policy is issued, the offer required in
16 subsection 1 must be made to the group policyholder. However, if the policy is
17 issued as group long-term care insurance as defined in subsection 3 of section
18 26.1-45-01, other than to a continuing care retirement community or other similar
19 entity, the offer of nonforfeiture benefit must be made to each proposed certificate
20 holder. In either case, if the offer is declined, all certificates issued in the state
21 pursuant to that policy must include the contingent nonforfeiture benefit upon
22 lapse.
- 23 3. The commissioner shall adopt rules specifying the type or types of nonforfeiture
24 benefits to be offered as part of long-term care insurance policies and certificates,

1 the standards for nonforfeiture benefits, and rules regarding contingent
2 nonforfeiture benefit upon lapse, including a determination of the specific period of
3 time during which a contingent nonforfeiture benefit upon lapse will be available
4 and the substantial premium rate increase that triggers a contingent nonforfeiture
5 benefit upon lapse.