

the loan shall be applied to the purposes authorized in § 8-129 of the State Finance and Procurement Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1989.

Approved May 25, 1989.

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CHAPTER 681

(House Bill 694)

AN ACT concerning

Long-Term Care Insurance

FOR the purpose of prohibiting an insurer that offers long-term care insurance from canceling, refusing to renew, or terminating the policy or contract because of the age or deterioration of the mental or physical health of the insured or certificate holder; authorizing the Insurance Commissioner to adopt regulations relating to long-term care insurance regarding disclosures, eligibility, renewals, coverage for dependents, continuation and conversion, probationary periods, limitation of coverage, recurrent conditions, loss ratio standards, preexisting conditions, nonduplication of coverage, and any matter the Insurance Commissioner determines is in the public interest; prohibiting long-term care insurance policies or contracts from containing new waiting periods; specifying that long-term insurance policies or contracts may not limit coverage to coverage for skilled nursing care only, provide a disproportionate amount of skilled nursing care, or use certain restrictive preexisting condition provisions; prohibiting an insurer from requiring prior institutionalization as a condition, limitation, or restriction for benefits and prohibiting certain policy or contract exclusions; specifying certain procedures for the cancellation of long-term care insurance and requiring the refund of a premium paid, under certain circumstances; requiring the disclosure of certain policy or contract provisions; requiring that long-term care insurance policies and contracts provide coverage for mental--or--nervous disorders, including Alzheimer's disease or other senile dementia disorders, except in certain circumstances; prohibiting a premium increase under long-term care insurance policies or contracts based on the age of the insured or certificate holder, except in certain