

**HOUSE . . . . . No. 1201**

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The Commonwealth of Massachusetts

PRESENTED BY:

*Ronald Mariano*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to establish standards for long term care insurance.

PETITION OF:

NAME:

*Ronald Mariano*

DISTRICT/ADDRESS:

*3rd Norfolk*

**HOUSE . . . . . No. 1201**

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By Mr. Mariano of Quincy, a petition (accompanied by bill, House, No. 1201) of Ronald Mariano for legislation to protect consumers purchasing long-term care insurance. Financial Services.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 2554 OF 2009-2010.]

The Commonwealth of Massachusetts

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**In the Year Two Thousand Eleven**  
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An Act to establish standards for long term care insurance.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Chapter 118E of the General Laws is hereby amended by striking out  
2 section 33, as appearing in the 2008 Official Edition, and inserting in place thereof the following  
3 section:-

4 Section 33. No claim for costs of a nursing facility and other long-term care services may  
5 be made by the division under sections 31 or 32 if the individual receiving medical assistance  
6 was permanently institutionalized, had notified the division that he had no intention to return  
7 home and on the date of admission to the nursing facility or other medical institution, had long-  
8 term care insurance that, when purchased, met the requirements of 211 C.M.R. 65.00.

9 SECTION 2. The General Laws are hereby amended by inserting after chapter 176R the  
10 following chapter:-

11 CHAPTER 176S LONG TERM CARE INSURANCE

12 Section 1. The purpose of this chapter is to promote the public interest and the  
13 availability of long-term care insurance policies, to protect applicants for long-term care  
14 insurance from unfair or deceptive sales or enrollment practices, to encourage applicants' choice  
15 of long term services in the least restrictive setting appropriate to their needs, to establish  
16 standards for long-term care insurance, to facilitate public understanding and comparison of  
17 long-term care insurance policies, and to promote flexibility and innovation in the development  
18 of long-term care insurance coverage.

19 Section 2. This chapter shall apply to policies delivered, or issued for delivery, in the  
20 commonwealth on or after January 1, 2012. This chapter is not intended to supersede the  
21 obligations of entities subject to this chapter to comply with applicable insurance laws insofar as  
22 they do not conflict with this chapter, except that laws and regulations designed and intended to  
23 apply to Medicare supplement insurance policies governed by Chapter 176K shall not apply to  
24 long-term care insurance.

25 Section 3. As used in this chapter, the following words shall, unless the context requires  
26 otherwise, have the following meanings:-

27 "Applicant", in the case of an individual long-term care insurance policy, the person who  
28 seeks to contract for benefits; or in the case of a group long-term care insurance policy, the  
29 proposed certificate holder.

30 "Certificate", a certificate issued under a group long-term care insurance policy, which  
31 policy has been delivered or issued for delivery within the commonwealth.

32 “Commissioner”, the commissioner of insurance.

33 “Group long-term care insurance”, a long-term care insurance policy that is delivered or  
34 issued for delivery within the commonwealth and issued to:

35 (1) one or more employers or labor organizations, or to a trust or to the trustees of a fund  
36 established by 1 or more employers or labor organizations, or a combination thereof, for  
37 employees or former employees, or a combination thereof, or for members or former members,  
38 or a combination thereof, of the labor organizations; or

39 (2) any professional, trade or occupational association for its members or former or  
40 retired members, or combination thereof, if the association:

41 (i) is composed of individuals all of whom are, or were, actively engaged in the same  
42 profession, trade or occupation; and

43 (ii) has been maintained in good faith for purposes other than obtaining insurance; or

44 (3) an association, or a trust, or the trustees of a fund established, created or maintained  
45 for the benefit of members of one or more associations; but, before advertising, marketing or  
46 offering the policy within the commonwealth, the association, or the insurer of the association,  
47 shall file evidence with the commissioner that the association has at the outset a minimum of 100  
48 persons and has been organized and maintained in good faith for purposes other than that of  
49 obtaining insurance; has been in active existence for at least 1 year; and have a constitution and  
50 bylaws that provide that:

51 (i) the association holds regular meetings not less than annually to further purposes of the  
52 members;

53 (ii) except for credit unions, the association collects dues or solicits contributions from  
54 members; and

55 (iii) the members have voting privileges and representation on the governing board and  
56 committees.

57 Thirty days after the filing, the association shall be considered to have satisfied the  
58 organizational requirements, unless the commissioner makes a finding that the association does  
59 not satisfy those organizational requirements.

60 (4) A group other than those described in paragraphs (1), (2) and (3) subject to a finding  
61 by the commissioner that:

62 (i) the issuance of the group policy is not contrary to the best interest of the public;

63 (ii) the issuance of the group policy would result in economies of acquisition or  
64 administration; and

65 (iii) the benefits are reasonable in relation to the premiums charged.

66 “Long-term care insurance”, any insurance policy or rider: (1) advertised, marketed,  
67 offered or designed to provide coverage for not less than 12 consecutive months for each covered  
68 person on an expense incurred, indemnity, prepaid or other basis; (2) for one or more necessary  
69 or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance or  
70 personal care services including home and community care services; and (3) provided in a setting  
71 other than an acute care unit of a hospital. The term includes group and individual annuities and  
72 life insurance policies or riders that provide directly, or supplement, long-term care insurance.

73 The term also includes a policy or rider that provides for payment of benefits based upon

74 cognitive impairment or the loss of functional capacity. The term shall also include qualified  
75 long-term care insurance contracts. Long-term care insurance shall not include any insurance  
76 policy that is offered primarily to provide basic Medicare supplement coverage, basic hospital  
77 expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity  
78 coverage, major medical expense coverage, disability income or related asset-protection  
79 coverage, accident only coverage, specified disease or specified accident coverage, or limited  
80 benefit health coverage. With regard to life insurance, this term shall not include life insurance  
81 policies that accelerate the death benefit specifically for 1 or more of the qualifying events of  
82 terminal illness, medical conditions requiring extraordinary medical intervention or permanent  
83 institutional confinement, and that provide the option of a lump-sum payment for those benefits  
84 and where neither the benefits nor the eligibility for the benefits is conditioned upon the receipt  
85 of long-term care. Notwithstanding any other provision of this chapter, any product advertised,  
86 marketed or offered as long-term care insurance shall be subject to this chapter.

87 “Policy”, any policy, contract, subscriber agreement, rider or endorsement delivered or  
88 issued for delivery within the commonwealth by an insurer authorized to issue policies upon the  
89 lives of persons in the commonwealth or to provide accident and health insurance under chapter  
90 175; a fraternal benefit society authorized under chapter 176; a nonprofit hospital service  
91 corporation authorized under chapter 176A, a nonprofit medical service corporation authorized  
92 under chapter 176B or a health maintenance organization authorized under chapter 176G.

93 (1) “Qualified long-term care insurance contract” or “federally tax-qualified long-term  
94 care insurance contract” an individual or group insurance contract that meets the requirements of  
95 Section 7702B(b) of the Internal Revenue Code of 1986, as amended, as follows:-

96 (a) The only insurance protection provided under the contract is coverage of qualified  
97 long-term care services. A contract shall not fail to satisfy the requirements of this subparagraph  
98 by reason of payments being made on a per diem or other periodic basis without regard to the  
99 expenses incurred during the period to which the payments relate;

100 (b) The contract does not pay or reimburse expenses incurred for services or items to the  
101 extent that the expenses are reimbursable under Title XVIII of the Social Security Act, as  
102 amended, or would be so reimbursable but for the application of a deductible or coinsurance  
103 amount. The requirements of this subparagraph do not apply to expenses that are reimbursable  
104 under Title XVIII of the Social Security Act only as a secondary payor. A contract shall not fail  
105 to satisfy the requirements of this subparagraph by reason of payments being made on a per diem  
106 or other periodic basis without regard to the expenses incurred during the period to which the  
107 payments relate;

108 (c) The contract is guaranteed renewable, within the meaning of section 7702B(b)(1)(C)  
109 of the Internal Revenue Code of 1986, as amended;

110 (d) The contract does not provide for a cash surrender value or other money that can be  
111 paid, assigned, pledged as collateral for a loan, or borrowed except as provided in paragraph (e);

112 (e) All refunds of premiums, and all policyholder dividends or similar amounts, under the  
113 contract are to be applied as a reduction in future premiums or to increase future benefits, except  
114 that a refund on the event of death of the insured or a complete surrender or cancellation of the  
115 contract cannot exceed the aggregate premiums paid under the contract; and

116 (f) The contract meets the consumer protection provisions set forth in Section 7702B(g)  
117 of the Internal Revenue Code of 1986, as amended.

118 (2) “Qualified long-term care insurance contract” or “federally tax-qualified long term  
119 care insurance contract” also means the portion of a life insurance contract that provides long-  
120 term care insurance coverage by rider or as part of the contract and that satisfies the requirements  
121 of Sections 7702B(b) and (e) of the Internal Revenue Code of 1986, as amended and as set forth  
122 in (1) (a)-(f)..

123 Section 4. No group long-term care insurance policy may be offered to a resident of the  
124 commonwealth under a group policy issued in another state to a group described in clause (4) of  
125 the definition of Group long-term care insurance of section 3, unless the commonwealth or  
126 another state having statutory and regulatory long-term care insurance requirements substantially  
127 similar to those adopted in the commonwealth has made a determination that the requirements  
128 set forth in said clause (4) have been met.

129 Section 5. (a) A long-term care insurance policy shall not:

130 (1) be cancelled, non-renewed or otherwise terminated on the grounds of the age or the  
131 deterioration of the mental or physical health of the insured individual or certificate holder;

132 (2) contain a provision establishing a new waiting period in the event existing coverage is  
133 converted to, or replaced by, a new or other form within the same company, except with respect  
134 to an increase in benefits voluntarily selected by the insured individual or group policyholder; or

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

137 (b) (1) A long-term care insurance policy or certificate, other than a policy or certificate  
138 thereunder issued to a group as defined in clause (1) of the definition of Group long-term care of

139 section 3, shall not use a definition of “preexisting condition” that is more restrictive than the  
140 following: Preexisting condition means a condition for which medical advice or treatment was  
141 recommended by, or received from a provider of health care services, within 6 months preceding  
142 the effective date of coverage of an insured person.

143 (2) A long-term care insurance policy or certificate other than a policy or certificate  
144 thereunder issued to a group as defined in clause (1) of the definition of Group long-term care of  
145 section 3 shall not exclude coverage for a loss or confinement that is the result of a preexisting  
146 condition unless the loss or confinement begins within 6 months following the effective date of  
147 coverage of an insured person.

148 (3) Notwithstanding this subsection (c), an insurer may use an application form designed  
149 to elicit the complete health history of an applicant, and, on the basis of the answers on that  
150 application, underwrite in accordance with that insurer’s established underwriting standards.  
151 Unless otherwise provided in the policy or certificate, a preexisting condition, regardless of  
152 whether it is disclosed on the application need not be covered until the waiting period described  
153 in subsection (b) (2) expires. No long-term care insurance policy or certificate may exclude or  
154 use waivers or riders of any kind to exclude, limit or reduce coverage or benefits for specifically  
155 named or described preexisting diseases or physical conditions beyond the waiting period  
156 described in subsection (2).

157 (c) A long-term care insurance policy shall not be delivered or issued for delivery in this  
158 state if the policy:

159 (1) conditions eligibility for any benefits on a prior hospitalization requirement;

160 (2) conditions eligibility for benefits provided in an institutional care setting on the  
161 receipt of a higher level of institutional care; or

162 (3) conditions eligibility for any benefits other than waiver of premium, post-  
163 confinement, post-acute care or recuperative benefits on a prior institutionalization requirement.

164 (d) The commissioner may adopt regulations establishing loss ratio standards for long-  
165 term care insurance policies provided that a specific reference to long-term care insurance  
166 policies is contained in the regulation.

167 (e) Long-term care insurance applicants shall have the right to return the policy or  
168 certificate within 30 days of its delivery and to have the premium refunded if, after examination  
169 of the policy or certificate, the applicant is not satisfied for any reason. Long-term care insurance  
170 policies and certificates shall have a notice prominently printed on the first page or attached  
171 thereto stating in substance that the applicant shall have the right to return the policy or  
172 certificate within 30 days of its delivery and to have the premium refunded if, after examination  
173 of the policy or certificate, other than a certificate issued pursuant to a policy issued to a group  
174 defined in clause (1) of the definition of Group long-term care of section 3, the applicant is not  
175 satisfied for any reason. This subsection shall also apply to denials of applications and any  
176 refund must be made within 30 days of the return or denial.

177 (f) (1) An outline of coverage shall be delivered to a prospective applicant for long-term  
178 care insurance through means that prominently direct the attention of the recipient to the  
179 document and its purpose. In the case of producer solicitations, an insurance producer shall  
180 deliver the outline of coverage prior to the presentation of an application or enrollment form. In  
181 the case of direct response solicitations, the outline of coverage shall be presented in conjunction

182 with any application or enrollment form. In the case of a policy issued to a group defined in  
183 clause (1) of the definition of Group long-term care of section 3, an outline of coverage shall not  
184 be required to be delivered, provided that the information described in clauses (i) to (vi),  
185 inclusive, of paragraph (2) is contained in other materials relating to enrollment. Upon request,  
186 these other materials shall be made available to the commissioner.

187 (2) The commissioner shall prescribe a standard format, including style, arrangement and  
188 overall appearance, and the content of an outline of coverage. The outline of coverage shall  
189 include:-

190 (i) a description of the principal benefits and coverage provided in the policy or  
191 certificate;

192 (ii) a statement of the principal exclusions, reductions and limitations contained in the  
193 policy or certificate;

194 (iii) a statement of the terms under which the policy or certificate, or both, may be  
195 continued in force or discontinued, including any reservation in the policy of a right to change  
196 premium; continuation or conversion provisions of group coverage shall be specifically  
197 described;

198 (iv) a statement that the outline of coverage is a summary only, not a contract of  
199 insurance, and that the policy or group master policy contains governing contractual provisions;

200 (v) a description of the terms under which the policy or certificate may be returned and  
201 premium refunded;

202 (vi) a brief description of the relationship of cost of care and benefits; and

203 (vii) a statement that discloses to the policyholder or certificate holder whether the policy  
204 is intended to be a federally tax-qualified long-term care insurance contract under 7702B(b) of  
205 the Internal Revenue Code of 1986, as amended.

206 (g) A certificate issued pursuant to a group long-term care insurance policy that is  
207 delivered or issued for delivery in this state shall include:-

208 (1) a description of the principal benefits and coverage provided in the policy;

209 (2) a statement of the principal exclusions, reductions and limitations contained in the  
210 policy; and

211 (3) a statement that the group master policy determines governing contractual provisions  
212 and that the policy is available for viewing in the offices of the policyholder and will be copied  
213 for the certificate holder upon request at no cost.

214 (h) If an application for a long-term care insurance contract or certificate is approved, the  
215 issuer shall deliver the contract or certificate of insurance to the applicant no later than 30 days  
216 after the date of approval.

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

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

225 (2) an illustration of the amount of benefits, the length of benefit, and the guaranteed  
226 lifetime benefits if any, for each covered person;

227 (3) any exclusions, reductions and limitations on benefits of long-term care including  
228 elimination or probationary periods and any preexisting condition limitations;

229 (4) a statement indicating whether any long term care inflation protection option required  
230 by law is available under this policy;

231 (5) if applicable to the policy type, the summary shall also include:-

232 (i) a disclosure of the effects of exercising other rights under the policy;

233 (ii) a disclosure of guarantees related to long-term care costs of insurance charges; and

234 (iii) current and projected maximum lifetime benefits; and

235 (6) the policy summary listed above may be incorporated into a basic illustration or into  
236 the life insurance policy summary which is required to be delivered in accordance with  
237 applicable regulation.

238 (j) Any time a long-term care benefit, funded through a life insurance vehicle by the  
239 acceleration of the death benefit, is in benefit payment status, a monthly report shall be provided  
240 to the policyholder. The report shall include:-

241 (1) any long-term care benefits paid out during the month;

242 (2) an explanation of any changes in the policy including death benefits or cash values,  
243 due to long-term care benefits being paid out; and

244 (3) the amount of long-term care benefits existing or remaining.

245 (k) If a claim under a long-term care insurance contract is denied, the issuer shall, within  
246 60 days of the date of a written request by the policyholder or certificate holder, or a  
247 representative thereof:-

248 (1) provide a written explanation of the reasons for the denial; and

249 (2) make available all information directly related to the denial.

250 (l) Any policy or rider advertised, marketed or offered as long-term care or nursing home  
251 insurance shall comply with the provisions of this chapter.

252 Section6. (a) For a policy or certificate that has been in force for less than 6 months an  
253 insurer may rescind a long-term care insurance policy or certificate or deny an otherwise valid  
254 long-term care insurance claim upon a showing of misrepresentation that is material to the  
255 acceptance for coverage.

256 (b) For a policy or certificate that has been in force for at least 6 months but less than 2  
257 years an insurer may rescind a long-term care insurance policy or certificate or deny an  
258 otherwise valid long-term care insurance claim upon a showing of misrepresentation that is both  
259 material to the acceptance for coverage and which pertains to the condition for which benefits  
260 are sought.

261 (c) After a policy or certificate has been in force for 2 years it is not contestable upon the  
262 grounds of misrepresentation alone; the policy or certificate may be contested only upon a

263 showing that the insured knowingly and intentionally misrepresented relevant facts relating to  
264 the insured's health.

265 (d). A long term care insurance policy or certificate may be field issued if the  
266 compensation to the field issuer is not based on the number of policies or certificates issued. For  
267 purposes of this subsection the term "field issued" means a policy or certificate issued by a  
268 producer or a third-party administrator pursuant to the underwriting authority granted to the  
269 producer or third party administrator by an insurer and using the insurer's underwriting  
270 guidelines.

271 (e) If an insurer has paid benefits under the long-term care insurance policy or certificate,  
272 the insurer may not recover the benefit payments if the policy or certificate is rescinded.

273 (f) In the event of the death of the insured, this section shall not apply to the remaining  
274 death benefit of a life insurance policy that accelerates benefits for long-term care. In this  
275 situation, the remaining death benefits under these policies shall be governed by section 132 of  
276 chapter 175. In all other situations, this section shall apply to life insurance policies that  
277 accelerate benefits for long-term care.

278 Section 7. (a) Except as provided in subsection (b), a long-term care insurance policy shall  
279 not be delivered or issued for delivery in this state unless the policyholder or certificate holder  
280 has been offered the option of purchasing a policy or certificate that includes a non-forfeiture  
281 benefit. The offer of a non-forfeiture benefit may be in the form of a rider that is attached to the  
282 policy. In the event the policyholder or certificate holder declines the non-forfeiture benefit, the  
283 insurer shall provide a contingent benefit upon lapse that shall be available for a specified period  
284 of time following a substantial increase in premium rates.

285 (b) When a group long-term care insurance policy is issued, the offer required in  
286 subsection (a) shall be made to the group policyholder. However, if the policy is issued as group  
287 long-term care insurance to a group defined in clause (4) the definition of Group long-term care  
288 of section 3, other than to a continuing care retirement community or other similar entity, the  
289 offering shall be made to each proposed certificate holder.

290 Section 8. (a) (1) An individual may not sell, solicit or negotiate long-term care  
291 insurance unless the individual is licensed as an insurance producer for accident and sickness or  
292 life and has completed a one-time training course. The training shall meet the requirements set  
293 forth in section 9(b).

294 (2) An individual already licensed and selling, soliciting or negotiating long-term care  
295 insurance on the effective date of this Act may not continue to sell, solicit, or negotiate long term  
296 care insurance unless the individual has completed a one-time training course as set forth in  
297 section 9(b), on or before July 2, 2012.

298 (3) In addition to the one-time training course required in paragraphs (1) and (2), an  
299 individual who sells, solicits or negotiates long-term care insurance shall complete ongoing  
300 training as set forth in section 9(b).

301 (4) The training requirements of section 9(b) may be approved as continuing education  
302 courses under section 177E of chapter 175.

303 (b) (1) The one-time training required by this Section shall be no less than 8 hours and  
304 the ongoing training required by this Section shall be no less than 4 hours every 24 months and  
305 said hours under this section shall be included as part of the required continuing education hours  
306 as set forth in clause B of section 177E of chapter 175.

307 (2) The training required under section 9(b)(1) shall consist of topics related to long-term  
308 care insurance, long term care services and, Massachusetts minimum long term care coverage  
309 requirements for certain asset and liability exemptions under the Massachusetts MassHealth  
310 Program, including:-

311 (A) State and federal regulations and requirements and the relationship between asset and  
312 liability exemptions under the Massachusetts MassHealth Program and other public and private  
313 coverage of long-term care services, including MassHealth;

314 (B) Available long-term services and providers;

315 (C) Changes or improvements in long-term care services or providers;

316 (D) Alternatives to the purchase of private long-term care insurance;

317 (E) The effect of inflation on benefits and the importance of inflation protection; and

318 (F) Consumer suitability standards and guidelines.

319 (3) The training required by this section shall not include training that is insurer or  
320 company product specific or that includes any sales or marketing information, materials or  
321 training other than those required by state or federal law.

322 (c) (1) Insurers subject to this chapter shall obtain verification that a producer receives  
323 training required by section 9(a) before a producer is permitted to sell, solicit or negotiate the  
324 insurer's long-term care insurance products, maintain records subject to the state's record  
325 retention requirements, and make that verification available to the commissioner upon request.

326 (2) Insurers subject to this chapter shall maintain records with respect to the training of its  
327 producers concerning the distribution of its policies intended to satisfy Massachusetts' minimum  
328 long term care coverage requirements for certain asset and liability exemptions under the  
329 Massachusetts MassHealth Program that will allow the division of insurance to provide  
330 assurance to the Department of Medical Assistance that producers have received the training  
331 contained in section 9 (b)(2)(A) as required by section 9(a) and that producers have demonstrated  
332 an understanding of the policies and their relationship to public and private coverage of long-  
333 term care, including MassHealth, in the commonwealth. These records shall be maintained in  
334 accordance with the state's record retention requirements and shall be made available to the  
335 commissioner upon request.

336 (D) The satisfaction of these training requirements in any state shall be deemed to  
337 satisfy the training requirements in this state.

338 Section 9. (a) The commissioner shall, in accordance with chapter 30A, promulgate rules  
339 and regulations which, at a minimum, are consistent with those set forth in the 2009 National  
340 Association of Insurance Commissioners Long-Term Care Model Regulation including standards  
341 for:-

342 (1) full and fair disclosure setting forth the manner, content and required disclosures for  
343 the sale of long-term care insurance policies and certificates;

344 (2) policy definitions and provisions, terms of renewability; initial and subsequent  
345 conditions of eligibility; benefit triggers; home health and community care benefits; non-  
346 duplication of coverage provisions; coverage of dependents; preexisting conditions; termination

347 of insurance; continuation or conversion; limitations; exceptions; reductions; elimination and  
348 probationary periods; requirements for replacement; and unintentional lapse protection;

349 (3) the promotion of premium adequacy, protections for the policyholder or certificate  
350 holder in the event of a substantial rate increase and disclosure;

351 (4) the offer of inflation and nonforfeiture coverage including rules for a contingent  
352 benefit upon lapse;

353 (5) marketing practices, suitability and producer professional education;

354 (6) filing requirements, reporting practices and requirements, reserve standards,  
355 independent review of benefit determinations, and penalties.

356 (b) The division of insurance shall update, on a biennial basis, the consumer guide  
357 for long term insurance. The division shall maintain a list of insurance companies selling long  
358 term care insurance in the Commonwealth and their Massachusetts rate increase history for the  
359 last 10 years on their website.

360 Section 10. In addition to the penalties provided in chapters 175 and 176D, any insurer  
361 and any insurance producer found to have violated any requirement of this chapter or any rules  
362 or regulations promulgated hereunder, relating to the regulation of long-term care insurance or  
363 the marketing of such insurance, shall be subject to a fine of up to 3 times the amount of any  
364 commissions paid for each policy involved in the violation or up to \$10,000, whichever is  
365 greater.

366 SECTION 5. The commissioner shall conduct an investigation as to the best methods to  
367 stabilize rates and prevent exceptional rate increases with input from the Life Insurance

368 Association of Massachusetts, the Massachusetts Association of Health Underwriters, the  
369 National Association of Insurance and Financial Advisers, the National Academy of Elder Law  
370 Attorneys, Massachusetts Chapter, the American Academy of Actuaries, and AARP. The  
371 commissioner shall also seek information on the experience of other states relative to rate  
372 stabilization.

373                   The commissioner shall report to the general court the results of his investigation  
374 and his recommendations, if any, together with drafts of legislation necessary to carry his  
375 recommendations into effect, by filing the same with the clerks of the senate and the house of  
376 representatives who shall forward the same to the senate president and the speaker of the house  
377 of representatives on or before January 1, 2013