

House Resolution 806

By: Representatives Rogers of the 29th, Reeves of the 34th, Shaw of the 176th, Taylor of the 173rd, Caldwell of the 131st, and others

A RESOLUTION

1 Creating the House Study Committee on Life Insurance Consumer Disclosures; and for other
2 purposes.

3 WHEREAS, life insurance is an unqualified asset for Medicaid eligibility, and it has been
4 the standard practice to lapse or surrender a policy as part of a Medicaid spend down plan;
5 and

6 WHEREAS, the National Conference of Insurance Legislators passed the Life Insurance
7 Disclosure Model Act in November, 2010, in response to the grave implications of billions
8 of dollars of life insurance policies in the hands of seniors being discarded in the face of
9 Medicaid eligibility for senior living and long-term treatment; and

10 WHEREAS, in January, 2012, the Center for Economic Forecasting and Analysis (CEFA)
11 of Florida State University analyzed the tax savings impact of converting life insurance
12 policies into long-term care benefit plans on the Florida Medicaid budget and in its analysis
13 found the annual savings for Florida's taxpayers at approximately \$150 million; and

14 WHEREAS, the National Conference of Insurance Legislators recommends a consumer
15 protection law requiring that life insurance companies inform policyholders above the age
16 of 60 or with a terminal or chronic condition of approved alternatives to the lapse or
17 surrender of a life insurance policy, including conversion to a long-term care benefit plan;
18 and

19 WHEREAS, the model language intends the language to be a strong stand for life insurance
20 policy owners and to empower consumers through education about their options; and

21 WHEREAS, there is a concern that millions of seniors are allowing a life insurance policy
22 to be abandoned because they do not understand their legal right of ownership and the
23 options available to them to use the policy for something other than a death benefit; and

24 WHEREAS, it is in the best interests of this state to study the need for life insurance
25 consumer disclosure of long-term care and senior living benefits of life insurance policies
26 for both the fiscal well-being of individuals and the state.

27 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

28 (1) **Creation of House study committee.** There is created the House Study Committee
29 on Life Insurance Consumer Disclosures.

30 (2) **Members and officers.** The committee shall be composed of seven members of the
31 House of Representatives to be appointed by the Speaker of the House of
32 Representatives. The Speaker shall designate a member of the committee as chairperson
33 of the committee.

34 (3) **Powers and duties.** The committee shall undertake a study of the conditions, needs,
35 issues, and problems mentioned above or related thereto and recommend any action or
36 legislation which the committee deems necessary or appropriate.

37 (4) **Meetings.** The chairperson shall call all meetings of the committee. The committee
38 may conduct such meetings at such places and at such times as it may deem necessary or
39 convenient to enable it to exercise fully and effectively its powers, perform its duties, and
40 accomplish the objectives and purposes of this resolution.

41 (5) **Allowances and funding.** The legislative members of the committee shall receive
42 the allowances provided for in Code Section 28-1-8 of the Official Code of Georgia
43 Annotated. The allowances authorized by this resolution shall not be received by any
44 member of the committee for more than five days unless additional days are authorized.
45 Funds necessary to carry out the provisions of this resolution shall come from funds
46 appropriated to the House of Representatives.

47 (6) **Report.**

48 (A) In the event the committee adopts any specific findings or recommendations that
49 include suggestions for proposed legislation, the chairperson shall file a report of the
50 same prior to the date of abolishment specified in this resolution, subject to
51 subparagraph (C) of this paragraph.

52 (B) In the event the committee adopts a report that does not include suggestions for
53 proposed legislation, the chairperson shall file the report, subject to subparagraph (C)
54 of this paragraph.

55 (C) No report shall be filed unless the same has been approved prior to the date of
56 abolishment specified in this resolution by majority vote of a quorum of the committee.
57 A report so approved shall be signed by the chairperson of the committee and filed with
58 the Clerk of the House of Representatives.

59 (D) In the absence of an approved report, the chairperson may file with the Clerk of the
60 House of Representatives a copy of the minutes of the meetings of the committee in lieu
61 thereof.

62 (7) **Abolishment.** The committee shall stand abolished on December 1, 2015.