

SENATE  
STATE OF MINNESOTA  
NINETY-FOURTH SESSION

S.F. No. 3484

(SENATE AUTHORS: KUPEC, Rasmusson, Gruenhagen and Abeler)

DATE	D-PG	OFFICIAL STATUS
05/05/2025	4442	Introduction and first reading Referred to Human Services
02/26/2026	6419	Author added Rasmusson
03/17/2026	6689a	Comm report: To pass as amended and re-refer to Commerce and Consumer Protection
	6754	Author added Gruenhagen
03/18/2026	6820	Author added Abeler

1.1 A bill for an act

1.2 relating to human services; modifying inflation protection for long-term care

1.3 partnership policies; amending Minnesota Statutes 2024, section 62S.23,

1.4 subdivision 1.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2024, section 62S.23, subdivision 1, is amended to read:

1.7 Subdivision 1. **Inflation protection feature.** (a) No insurer may offer a long-term care

1.8 insurance policy unless the insurer also offers to the policyholder, in addition to any other

1.9 inflation protection, the option to purchase a policy that provides for benefit levels to increase

1.10 with benefit maximums or reasonable durations which are meaningful to account for

1.11 reasonably anticipated increases in the costs of long-term care services covered by the

1.12 policy. In addition to other options that may be offered, insurers must offer to each

1.13 policyholder, at the time of purchase, the option to purchase a policy with an inflation

1.14 protection feature no less favorable than one of the following:

1.15 (1) increases benefit levels annually in a manner so that the increases are compounded

1.16 annually at a rate not less than five percent;

1.17 (2) guarantees the insured individual the right to periodically increase benefit levels

1.18 without providing evidence of insurability or health status so long as the option for the

1.19 previous period has not been declined. The amount of the additional benefit shall be no less

1.20 than the difference between the existing policy benefit and that benefit compounded annually

1.21 at a rate of at least five percent for the period beginning with the purchase of the existing

1.22 benefit and extending until the year in which the offer is made; or

2.1 (3) covers a specified percentage of actual or reasonable charges and does not include  
2.2 a maximum specified indemnity amount or limit.

2.3 (b) A long-term care partnership policy must provide the inflation protection described  
2.4 in this subdivision. If the policy is sold to an individual who:

2.5 (1) has not attained age 61 as of the date of purchase, the policy must provide compound  
2.6 annual inflation protection;

2.7 (2) has attained age 61, but has not attained age 76 as of such date, the policy must  
2.8 provide some level of inflation protection; and

2.9 (3) has attained the age of 76 as of such date, the policy may, but is not required to,  
2.10 provide some level of inflation protection.

2.11 (c) Inflation protection for a long-term care partnership policy may not be:

2.12 (1) for coverage sold on or after July 1, 2015, less than:

2.13 (i) one percent per year; or

2.14 (ii) a rate based on changes in the Consumer Price Index; or

2.15 (2) for coverage sold before July 1, 2015, less than:

2.16 (i) three percent per year;

2.17 (ii) a rate based on changes in the Consumer Price Index; or

2.18 (iii) one percent per year if the policyholder requests a reduction to the inflation protection  
2.19 rate.

2.20 The commissioner, however, may approve other types of inflation protection that comply  
2.21 with this section and further the goals of the partnership program.

2.22 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,  
2.23 whichever is later. The commissioner of human services shall notify the revisor of statutes  
2.24 when federal approval is obtained.