



# Senate

General Assembly

**File No. 283**

January Session, 2025

Substitute Senate Bill No. 1269

*Senate, March 27, 2025*

The Committee on Insurance and Real Estate reported through SEN. CABRERA of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## ***AN ACT CONCERNING LONG-TERM CARE INSURANCE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (*Effective from passage*) Not later than February 1, 2026, the  
2       Insurance Department shall prepare and submit a report, in accordance  
3       with the provisions of section 11-4a of the general statutes, to the joint  
4       standing committee of the General Assembly having cognizance of  
5       matters relating to insurance. Such report shall include an evaluation of  
6       an alternative pool for long-term care policyholders in excess of twenty  
7       years.

8       Sec. 2. Section 38a-458 of the general statutes is repealed and the  
9       following is substituted in lieu thereof (*Effective January 1, 2026*):

10       (a) As used in this section, "long-term care rider" means any provision  
11       or endorsement attached to any annuity contract or certificate that  
12       provides long-term care benefits for qualified long-term care services as  
13       provided in Section 7702B(c)(1) of the Internal Revenue Code of 1986, or  
14       any subsequent corresponding internal revenue code of the United  
15       States, as amended from time to time.

16     ~~[(a)]~~ (b) Provided such company is licensed for both life and health  
17 insurance in this state, any life insurance company doing business in this  
18 state may issue life insurance policies or certificates, or riders or  
19 endorsements thereto, that provide, within the terms and conditions of  
20 the policy or certificate, long-term care benefits as described in section  
21 38a-501 or 38a-528, as amended by this act, except as specified in  
22 subsection ~~[(c)]~~ (d) of this section. The Insurance Commissioner may  
23 adopt regulations, in accordance with chapter 54, to implement the  
24 provisions of this section.

25     ~~[(b)]~~ (c) (1) Provided such company is licensed for both life and health  
26 insurance in this state, any life insurance company doing business in this  
27 state may issue annuity contracts or certificates, or riders, including  
28 long-term care riders subject to the requirements of this subsection, and  
29 any applicable requirement under this title or any regulation adopted  
30 by the commissioner, in accordance with the provisions of chapter 54,  
31 or endorsements thereto, that provide, within the terms and conditions  
32 of the contract or certificate, long-term care benefits as described in  
33 section 38a-501 or 38a-528, as amended by this act, except as specified in  
34 subsection ~~[(c)]~~ (d) of this section, and that waive the surrender charges  
35 under such contract or accelerate a specified portion of the annuity  
36 value of such contract.

37     (2) Any life insurance company that issues any long-term care rider  
38 that provides long-term care benefits pursuant to subdivision (1) of this  
39 subsection shall provide each policyholder with a written disclosure for  
40 such long-term care rider that includes (A) the cost of such long-term  
41 care rider and any impact that such long-term care rider may have on  
42 the annuity contract's benefits, including, but not limited to, reductions  
43 in death benefits or surrender value, (B) any conditions or long-term  
44 care benefit triggers required by state or federal law, including, but not  
45 limited to, qualifying events, including an inability to perform at least  
46 two activities of daily living or such conditions related to severe  
47 cognitive impairment, and (C) any exclusions, limitations or  
48 coordination of benefits with other insurance coverage.

49     (3) Any life insurance company that issues any long-term care rider  
50 that provides long-term care benefits pursuant to subdivision (1) of this  
51 subsection shall (A) comply with any applicable requirement under this  
52 title concerning annuity contract suitability, long-term care insurance  
53 and disclosure requirements, (B) comply with any applicable  
54 requirements under federal law, including, but not limited to, tax-  
55 qualified long-term care policy requirements under the Health  
56 Insurance Portability and Accountability Act of 1996, P.L. 104-191, as  
57 amended from time to time, (C) include nonforfeiture benefits required  
58 under this chapter and any applicable regulations adopted by the  
59 commissioner in accordance with the provisions of chapter 54, and (D)  
60 only provide coverage for long-term care rider benefits upon the  
61 occurrence of a qualifying event, as defined in the policy and required  
62 under this title, federal law and regulations adopted by the  
63 commissioner in accordance with the provisions of chapter 54.

64     (4) Any policyholder may cancel, without penalty, any such long-  
65 term care rider issued pursuant to subdivision (1) of this subsection not  
66 later than thirty days after receipt of such long-term care rider.

67     [(c)] (d) Long-term care benefits provided pursuant to subsection [(a)]  
68 [(b)] or [(b)] (c) of this section shall not be subject to the requirements of  
69 subsection (b) of section 38a-501, as amended by this act or subsection  
70 (b) of section 38a-528, as amended by this act.

71     [(d)] (e) No insurance producer shall sell any such policy, certificate,  
72 rider or endorsement unless the producer is licensed to sell both life and  
73 health insurance in this state.

74     [(e)] (f) A life insurance policy or annuity contract with long-term care  
75 benefits issued pursuant to this section may include a rider that  
76 provides long-term care benefits that become payable upon exhaustion  
77 of a specified amount of the death benefit under the life insurance policy  
78 or a specified amount of the annuity value of the annuity contract. Any  
79 elimination period limitations shall apply only to the acceleration phase  
80 of the life insurance policy or annuity contract to which the rider is  
81 attached. Such rider shall not contain an additional elimination period

82 and may calculate the waiver of premium from the time benefits are  
83 payable under such rider.

84 Sec. 3. Subsection (a) of section 38a-430 of the general statutes is  
85 repealed and the following is substituted in lieu thereof (*Effective January*  
86 *1, 2026*):

87 (a) No life insurance or annuity policy or contract shall be delivered  
88 or issued for delivery to any person in this state, nor shall any  
89 application, rider, including a long-term care rider, as defined in section  
90 38a-458, as amended by this act, or endorsement be used in connection  
91 therewith, until a copy of the form thereof shall have been filed with and  
92 approved by the commissioner. The commissioner shall adopt  
93 regulations, in accordance with the provisions of chapter 54,  
94 establishing a procedure for review of such policies and contracts. The  
95 commissioner shall issue an order disapproving the use of any such  
96 form at any time if it does not comply with the requirements of law, or  
97 if it contains a provision or provisions that are unfair or deceptive or  
98 that encourage misrepresentation of the policy. The commissioner shall  
99 specify the reason for the commissioner's disapproval. The provisions  
100 of section 38a-19 shall apply to any such order issued by the  
101 commissioner.

102 Sec. 4. (NEW) (*Effective January 1, 2026, and applicable to taxable years*  
103 *commencing on or after January 1, 2026*) Any eligible taxpayer subject to  
104 the tax under chapter 229 of the general statutes shall be allowed a credit  
105 against the tax imposed under said chapter, other than the liability  
106 imposed under section 12-707 of the general statutes, in an amount  
107 equal to twenty per cent of the premiums paid by such eligible taxpayer  
108 during the taxable year for a long-term care policy, as defined in section  
109 38a-501, as amended by this act, or 38a-528 of the general statutes, as  
110 amended by this act, for which the eligible taxpayer is the insured. As  
111 used in this section, (1) "eligible taxpayer" means any resident of this  
112 state with a federal adjusted gross income of less than two hundred  
113 thousand dollars, and (2) "resident of this state" has the same meaning  
114 as provided in section 12-701 of the general statutes.

115       Sec. 5. (*Effective from passage*) Not later than February 1, 2026, the  
116 Insurance Department shall prepare and submit a report, in accordance  
117 with the provisions of section 11-4a of the general statutes, to the joint  
118 standing committee of the General Assembly having cognizance of  
119 matters relating to insurance. Such report shall include an evaluation of  
120 the individual and group long-term care premium rate filing processes  
121 established under sections 38a-501, as amended by this act, and 38a-528  
122 of the general statutes, as amended by this act.

123       Sec. 6. Section 38a-501 of the general statutes is repealed and the  
124 following is substituted in lieu thereof (*Effective January 1, 2026*):

125       (a) (1) As used in this section, [and section 38a-475a,] "long-term care  
126 policy" means any individual health insurance policy delivered or  
127 issued for delivery to any resident of this state on or after July 1, 1986,  
128 that is designed to provide, within the terms and conditions of the  
129 policy, benefits on an expense-incurred, indemnity or prepaid basis for  
130 necessary care or treatment of an injury, illness or loss of functional  
131 capacity provided by a certified or licensed health care provider in a  
132 setting other than an acute care hospital, for at least one year after an  
133 elimination period (A) not to exceed one hundred days of confinement,  
134 or (B) of over one hundred days but not to exceed two years of  
135 confinement, provided such period is covered by an irrevocable trust in  
136 an amount estimated to be sufficient to furnish coverage to the grantor  
137 of the trust for the duration of the elimination period. Such trust shall  
138 create an unconditional duty to pay the full amount held in trust  
139 exclusively to cover the costs of confinement during the elimination  
140 period, subject only to taxes and any trustee's charges allowed by law.  
141 Payment shall be made directly to the provider. The duty of the trustee  
142 may be enforced by the state, the grantor or any person acting on behalf  
143 of the grantor. A long-term care policy shall provide benefits for  
144 confinement in a nursing home or confinement in the insured's own  
145 home or both. Any additional benefits provided shall be related to long-  
146 term treatment of an injury, illness or loss of functional capacity. "Long-  
147 term care policy" does not include any such policy that is offered  
148 primarily to provide basic Medicare supplement coverage, basic

149 medical-surgical expense coverage, hospital confinement indemnity  
150 coverage, major medical expense coverage, disability income protection  
151 coverage, accident only coverage, specified accident coverage or limited  
152 benefit health coverage.

153 (2) (A) Notwithstanding any provision of the general statutes, no  
154 insurance company, fraternal benefit society, hospital service  
155 corporation, medical service corporation or health care center may  
156 deliver, issue for delivery, renew, continue or amend any long-term care  
157 policy in this state on or after January 1, 2022, unless the insurance  
158 company, fraternal benefit society, hospital service corporation, medical  
159 service corporation or health care center is authorized or licensed to sell  
160 long-term care insurance and at least one other line of insurance in this  
161 state.

162 (B) No insurance company, fraternal benefit society, hospital service  
163 corporation, medical service corporation or health care center  
164 delivering, issuing for delivery, renewing, continuing or amending any  
165 long-term care policy in this state may refuse to accept, or refuse to make  
166 reimbursement pursuant to, a claim for benefits submitted by or  
167 prepared with the assistance of a managed residential community, as  
168 defined in section 19a-693, in accordance with subdivision (7) of  
169 subsection (a) of section 19a-694, solely because such claim for benefits  
170 was submitted by or prepared with the assistance of a managed  
171 residential community.

172 (C) Each insurance company, fraternal benefit society, hospital  
173 service corporation, medical service corporation or health care center  
174 delivering, issuing for delivery, renewing, continuing or amending any  
175 long-term care policy in this state shall, upon receipt of a written  
176 authorization executed by the insured, (i) disclose information to a  
177 managed residential community for the purpose of determining such  
178 insured's eligibility for an insurance benefit or payment, and (ii) provide  
179 a copy of the initial acceptance or declination of a claim for benefits to  
180 the managed residential community at the same time such acceptance  
181 or declination is made to the insured.

182 (b) (1) No insurance company, fraternal benefit society, hospital  
183 service corporation, medical service corporation or health care center  
184 may deliver or issue for delivery any long-term care policy that has a  
185 loss ratio of less than sixty per cent for any individual long-term care  
186 policy. An issuer shall not use or change premium rates for a long-term  
187 care policy unless the rates have been filed with and approved by the  
188 commissioner. Any rate filings or rate revisions shall demonstrate that  
189 anticipated claims in relation to premiums when combined with actual  
190 experience to date can be expected to comply with the loss ratio  
191 requirement of this section. A rate filing shall include the factors and  
192 methodology used to estimate irrevocable trust values if the policy  
193 includes an option for the elimination period specified in subdivision  
194 (1) of subsection (a) of this section.

195 (2) (A) [Any] Except as provided in subdivision (3) of this subsection,  
196 any insurance company, fraternal benefit society, hospital service  
197 corporation, medical service corporation or health care center that files  
198 a rate filing for an increase in premium rates for a long-term care policy  
199 [that is for twenty per cent or more shall spread the increase over a  
200 period of not less than three years and not file a rate filing for] shall not  
201 request in such filing an increase in premium rates for [the] such long-  
202 term care policy [during the period chosen. Such company, society,  
203 corporation or center shall use a periodic rate increase that is actuarially  
204 equivalent to a single rate increase and a current interest rate for the  
205 period chosen] that exceeds ten per cent.

206 (B) Prior to implementing a premium rate increase, each such  
207 company, society, corporation or center shall:

208 (i) Notify its policyholders of such premium rate increase and make  
209 available to such policyholders the additional choice of reducing the  
210 policy benefits to reduce the premium rate. [or electing coverage that  
211 reflects the minimum set of affordable benefit options developed by the  
212 commissioner pursuant to section 38a-475a.] Such notice shall include a  
213 description of such policy benefit reductions. [and minimum set of  
214 affordable benefit options.] The premium rates for any benefit

215 reductions shall be based on the new premium rate schedule;

216 (ii) Provide policyholders not less than thirty calendar days to elect a  
217 reduction in policy benefits; [or coverage that reflects the minimum set  
218 of affordable benefit options developed by the commissioner pursuant  
219 to section 38a-475a;] and

220 (iii) Include a statement in such notice that if a policyholder fails to  
221 elect a reduction in policy benefits [or coverage that reflects the  
222 minimum set of affordable benefit options developed by the  
223 commissioner pursuant to section 38a-475a] by the end of the notice  
224 period and has not cancelled the policy, the policyholder will be deemed  
225 to have elected to retain the existing policy benefits.

226 (3) Notwithstanding the provisions of subparagraph (A) of  
227 subdivision (2) of this subsection, any insurance company, fraternal  
228 benefit society, hospital service corporation, medical service corporation  
229 or health care center that files a rate filing for an increase in premium  
230 rates for a long-term care policy shall not request in such filing an  
231 increase in premium rates for such long-term care policy that exceeds  
232 the most recent calendar year average in the consumer price index for  
233 urban consumers, as published by the United States Department of  
234 Labor, Bureau of Labor Statistics, provided the policyholder of such  
235 long-term care policy has held such long-term care policy for not less  
236 than fifteen years.

237 (c) (1) No such company, society, corporation or center may deliver  
238 or issue for delivery any long-term care policy without providing, at the  
239 time of solicitation or application for purchase or sale of such coverage,  
240 full and fair written disclosure of the benefits and limitations of the  
241 policy.

242 (2) (A) The applicant shall sign an acknowledgment at the time of  
243 application for such policy that the company, society, corporation or  
244 center has provided the written disclosure required under this  
245 subsection to the applicant. If the method of application does not allow  
246 for such signature at the time of application, the applicant shall sign



247 such acknowledgment not later than at the time of delivery of such  
248 policy.

249 (B) Except for a long-term care policy for which no applicable  
250 premium rate revision or rate schedule increases can be made or as  
251 otherwise provided in subdivision (3) of this subsection, such disclosure  
252 shall include:

253 (i) A statement that the policy may be subject to rate increases in the  
254 future;

255 (ii) An explanation of potential future premium rate revisions and the  
256 policyholder's option in the event of a premium rate revision;

257 (iii) The premium rate or rate schedule applicable to the applicant  
258 that will be in effect until such company, society, corporation or center  
259 files a request with the commissioner for a revision to such premium  
260 rate or rate schedule;

261 (iv) An explanation of how a premium rate or rate schedule revision  
262 will be applied that includes a description of when such rate or rate  
263 schedule revision will be effective; and

264 (v) Information regarding each premium rate increase, if any, over  
265 the past ten years on such policy form or similar policy forms for this  
266 state or any other state, that identifies, at a minimum, (I) the policy forms  
267 for which premium rates have been increased, (II) the calendar years  
268 when each such policy form was available for purchase, and (III) the  
269 amount or percentage of each increase. The percentage may be  
270 expressed as a percentage of the premium rate prior to the increase or  
271 as minimum and maximum percentages if the rate increase is variable  
272 by rating characteristics.

273 (C) The company, society, corporation or center may provide, in a fair  
274 manner, any additional explanatory information related to a premium  
275 rate or rate schedule revision.

276 (3) (A) Any such company, society, corporation or center may

277 exclude from the disclosure required under subparagraph (B) of  
278 subdivision (2) of this subsection premium rate increases that only  
279 apply to blocks of business or long-term care policies acquired from a  
280 nonaffiliated company, society, corporation or center and that occurred  
281 prior to the acquisition.

282 (B) If an acquiring company, society, corporation or center files a  
283 request for a premium rate increase on or before January 1, 2015, or the  
284 end of a twenty-four-month period after the acquisition, whichever is  
285 later, for a block of policy forms or long-term care policies acquired from  
286 a nonaffiliated company, society, corporation or center, such acquiring  
287 company, society, corporation or center may exclude from the  
288 disclosure required under subparagraph (B) of subdivision (2) of this  
289 subsection such premium rate increase, except that the nonaffiliated  
290 company, society, corporation or center selling such block of policy  
291 forms or long-term care policies shall include such premium rate  
292 increase in such disclosure.

293 (C) If an acquiring company, society, corporation or center under  
294 subparagraph (B) of this subdivision files a subsequent request, even  
295 within the twenty-four-month period specified in said subparagraph,  
296 for a premium rate increase on the same block of policy forms or long-  
297 term care policies set forth in said subparagraph, the acquiring  
298 company, society, corporation or center shall include in the disclosure  
299 required under subparagraph (B) of subdivision (2) of this subsection  
300 such premium rate increase and any premium rate increase filed and  
301 approved pursuant to subparagraph (B) of this subdivision.

302 (4) If the offering for any long-term care policy includes an option for  
303 the elimination period specified in subdivision (1) of subsection (a) of  
304 this section, the application form for such policy and the face page of  
305 such policy shall contain a clear and conspicuous disclosure that the  
306 irrevocable trust may not be sufficient to cover all costs during the  
307 elimination period.

308 (d) No such company, society, corporation or center may deliver or  
309 issue for delivery any long-term care policy on or after July 1, 2008,

310 without offering, at the time of solicitation or application for purchase  
311 or sale of such coverage, an option to purchase a policy that includes a  
312 nonforfeiture benefit. Such offer of a nonforfeiture benefit may be in the  
313 form of a rider attached to such policy. In the event the nonforfeiture  
314 benefit is declined, such company, society, corporation or center shall  
315 provide a contingent benefit upon lapse that shall be available for a  
316 specified period of time following a substantial increase in premium  
317 rates. Not later than July 1, 2008, the commissioner shall adopt  
318 regulations, in accordance with chapter 54, to implement the provisions  
319 of this subsection. Such regulations shall specify the type of  
320 nonforfeiture benefit that may be offered, the standards for such benefit,  
321 the period of time during which a contingent benefit upon lapse will be  
322 available and the substantial increase in premium rates that trigger a  
323 contingent benefit upon lapse in accordance with the Long-Term Care  
324 Insurance Model Regulation adopted by the National Association of  
325 Insurance Commissioners.

326 (e) The commissioner shall adopt regulations, in accordance with  
327 chapter 54, that address (1) the insured's right to information prior to  
328 the insured replacing an accident and sickness policy with a long-term  
329 care policy, (2) the insured's right to return a long-term care policy to  
330 the insurer, within a specified period of time after delivery, for  
331 cancellation, and (3) the insured's right to accept by the insured's  
332 signature, and prior to it becoming effective, any rider or endorsement  
333 added to a long-term care policy after the issuance date of such policy.  
334 The commissioner shall adopt such additional regulations as the  
335 commissioner deems necessary in accordance with chapter 54 to carry  
336 out the purpose of this section.

337 (f) The commissioner may, upon written request by any such  
338 company, society, corporation or center, issue an order to modify or  
339 suspend a specific provision of this section or any regulation adopted  
340 pursuant thereto with respect to a specific long-term care policy upon a  
341 written finding that: (1) The modification or suspension would be in the  
342 best interest of the insureds; (2) the purposes to be achieved could not  
343 be effectively or efficiently achieved without such modification or

344 suspension; and (3) (A) the modification or suspension is necessary to  
345 the development of an innovative and reasonable approach for insuring  
346 long-term care, (B) the policy is to be issued to residents of a life care or  
347 continuing care retirement community or other residential community  
348 for the elderly and the modification or suspension is reasonably related  
349 to the special needs or nature of such community, or (C) the  
350 modification or suspension is necessary to permit long-term care  
351 policies to be sold as part of, or in conjunction with, another insurance  
352 product. Whenever the commissioner decides not to issue such an order,  
353 the commissioner shall provide written notice of such decision to the  
354 requesting party in a timely manner.

355 (g) Upon written request by any such company, society, corporation  
356 or center, the commissioner may issue an order to extend the preexisting  
357 condition exclusion period, as established by regulations adopted  
358 pursuant to this section, for purposes of specific age group categories in  
359 a specific long-term care policy form whenever the commissioner makes  
360 a written finding that such an extension is in the best interest to the  
361 public. Whenever the commissioner decides not to issue such an order,  
362 the commissioner shall provide written notice of such decision to the  
363 requesting party in a timely manner.

364 (h) The provisions of section 38a-19 shall be applicable to any such  
365 requesting party aggrieved by any order or decision of the  
366 commissioner made pursuant to subsections (f) and (g) of this section.

367 Sec. 7. Section 38a-528 of the general statutes is repealed and the  
368 following is substituted in lieu thereof (*Effective January 1, 2026*):

369 (a) (1) As used in this section, [and section 38a-475a,] "long-term care  
370 policy" means any group health insurance policy or certificate delivered  
371 or issued for delivery to any resident of this state on or after July 1, 1986,  
372 that is designed to provide, within the terms and conditions of the policy  
373 or certificate, benefits on an expense-incurred, indemnity or prepaid  
374 basis for necessary care or treatment of an injury, illness or loss of  
375 functional capacity provided by a certified or licensed health care  
376 provider in a setting other than an acute care hospital, for at least one

377 year after a reasonable elimination period. A long-term care policy shall  
378 provide benefits for confinement in a nursing home or confinement in  
379 the insured's own home or both. Any additional benefits provided shall  
380 be related to long-term treatment of an injury, illness or loss of  
381 functional capacity. "Long-term care policy" does not include any such  
382 policy or certificate that is offered primarily to provide basic Medicare  
383 supplement coverage, basic medical-surgical expense coverage, hospital  
384 confinement indemnity coverage, major medical expense coverage,  
385 disability income protection coverage, accident only coverage, specified  
386 accident coverage or limited benefit health coverage.

387 (2) (A) Notwithstanding any provision of the general statutes, no  
388 insurance company, fraternal benefit society, hospital service  
389 corporation, medical service corporation or health care center may  
390 deliver, issue for delivery, renew, continue or amend any long-term care  
391 policy in this state on or after January 1, 2022, unless the insurance  
392 company, fraternal benefit society, hospital service corporation, medical  
393 service corporation or health care center is authorized or licensed to sell  
394 long-term care insurance and at least one other line of insurance in this  
395 state.

396 (B) No insurance company, fraternal benefit society, hospital service  
397 corporation, medical service corporation or health care center  
398 delivering, issuing for delivery, renewing, continuing or amending any  
399 long-term care policy in this state may refuse to accept, or refuse to make  
400 reimbursement pursuant to, a claim for benefits submitted by or  
401 prepared with the assistance of a managed residential community, as  
402 defined in section 19a-693, in accordance with subdivision (7) of  
403 subsection (a) of section 19a-694, solely because such claim for benefits  
404 was submitted by or prepared with the assistance of a managed  
405 residential community.

406 (C) Each insurance company, fraternal benefit society, hospital  
407 service corporation, medical service corporation or health care center  
408 delivering, issuing for delivery, renewing, continuing or amending any  
409 long-term care policy in this state shall, upon receipt of a written

410 authorization executed by the insured, (i) disclose information to a  
411 managed residential community for the purpose of determining such  
412 insured's eligibility for an insurance benefit or payment, and (ii) provide  
413 a copy of the initial acceptance or declination of a claim for benefits to  
414 the managed residential community at the same time such acceptance  
415 or declination is made to the insured.

416 (b) (1) No insurance company, fraternal benefit society, hospital  
417 service corporation, medical service corporation or health care center  
418 may deliver or issue for delivery any long-term care policy or certificate  
419 that has a loss ratio of less than sixty-five per cent for any group long-  
420 term care policy. An issuer shall not use or change premium rates for a  
421 long-term care policy or certificate unless the rates have been filed with  
422 the commissioner. Deviations in rates to reflect policyholder experience  
423 shall be permitted, provided each policy form shall meet the loss ratio  
424 requirement of this section. Any rate filings or rate revisions shall  
425 demonstrate that anticipated claims in relation to premiums when  
426 combined with actual experience to date can be expected to comply with  
427 the loss ratio requirement of this section. On an annual basis, an insurer  
428 shall submit to the commissioner an actuarial certification of the  
429 insurer's continuing compliance with the loss ratio requirement of this  
430 section. Any rate or rate revision may be disapproved if the  
431 commissioner determines that the loss ratio requirement will not be met  
432 over the lifetime of the policy form using reasonable assumptions.

433 (2) (A) [Any] Except as provided in subdivision (3) of this subsection,  
434 any insurance company, fraternal benefit society, hospital service  
435 corporation, medical service corporation or health care center that files  
436 a rate filing for an increase in premium rates for a long-term care policy  
437 [that is for twenty per cent or more shall spread the increase over a  
438 period of not less than three years and not file a rate filing for] shall not  
439 request in such filing an increase in premium rates for [the] such long-  
440 term care policy [during the period chosen. Such company, society,  
441 corporation or center shall use a periodic rate increase that is actuarially  
442 equivalent to a single rate increase and a current interest rate for the  
443 period chosen] that exceeds ten per cent.

444 (B) Prior to implementing a premium rate increase, each such  
445 company, society, corporation or center shall:

446 (i) Notify its certificate holders of such premium rate increase and  
447 make available to such certificate holders the additional choice of  
448 reducing the policy benefits to reduce the premium rate, [or electing  
449 coverage that reflects the minimum set of affordable benefit options  
450 developed by the commissioner pursuant to section 38a-475a.] Such  
451 notice shall include a description of such policy benefit reductions, [and  
452 minimum set of affordable benefit options.] The premium rates for any  
453 benefit reductions shall be based on the new premium rate schedule;

454 (ii) Provide certificate holders not less than thirty calendar days to  
455 elect a reduction in policy benefits; [or coverage that reflects the  
456 minimum set of affordable benefit options developed by the  
457 commissioner pursuant to section 38a-475a;] and

458 (iii) Include a statement in such notice that if a certificate holder fails  
459 to elect a reduction in policy benefits [or coverage that reflects the  
460 minimum set of affordable benefit options developed by the  
461 commissioner pursuant to section 38a-475a] by the end of the notice  
462 period and has not cancelled the policy, the certificate holder will be  
463 deemed to have elected to retain the existing policy benefits.

464 (3) Notwithstanding the provisions of subparagraph (A) of  
465 subdivision (2) of this subsection, any insurance company, fraternal  
466 benefit society, hospital service corporation, medical service corporation  
467 or health care center that files a rate filing for an increase in premium  
468 rates for a long-term care policy shall not request in such filing an  
469 increase in premium rates for such long-term care policy that exceeds  
470 the most recent calendar year average in the consumer price index for  
471 urban consumers, as published by the United States Department of  
472 Labor, Bureau of Labor Statistics, provided the certificate holder of such  
473 long-term care policy has held such long-term care policy for not less  
474 than fifteen years.

475 (c) (1) No such company, society, corporation or center may deliver

476 or issue for delivery any long-term care policy without providing, at the  
477 time of solicitation or application for purchase or sale of such coverage,  
478 full and fair written disclosure of the benefits and limitations of the  
479 policy. The provisions of this subsection shall not be applicable to  
480 noncontributory plans.

481 (2) (A) The applicant shall sign an acknowledgment at the time of  
482 application for such policy that the company, society, corporation or  
483 center has provided the written disclosure required under this  
484 subsection to the applicant. If the method of application does not allow  
485 for such signature at the time of application, the applicant shall sign  
486 such acknowledgment not later than at the time of delivery of such  
487 policy.

488 (B) The policyholder shall provide a copy of such disclosure to each  
489 eligible individual.

490 (3) (A) Except for a long-term care policy for which no applicable  
491 premium rate revision or rate schedule increases can be made or as  
492 otherwise provided in subdivision (4) of this subsection, such disclosure  
493 shall include:

494 (i) A statement that the policy may be subject to rate increases in the  
495 future;

496 (ii) An explanation of potential future premium rate revisions and the  
497 policyholder's or certificate holder's option in the event of a premium  
498 rate revision;

499 (iii) The premium rate or rate schedule applicable to the applicant  
500 that will be in effect until such company, society, corporation or center  
501 files a request with the commissioner for a revision to such premium  
502 rate or rate schedule;

503 (iv) An explanation of how a premium rate or rate schedule revision  
504 will be applied that includes a description of when such rate or rate  
505 schedule revision will be effective; and



506 (v) Information regarding each premium rate increase, if any, over  
507 the past ten years on such policy form or similar policy forms for this  
508 state or any other state, that identifies, at a minimum, (I) the policy forms  
509 for which premium rates have been increased, (II) the calendar years  
510 when each such policy form was available for purchase, and (III) the  
511 amount or percentage of each increase. The percentage may be  
512 expressed as a percentage of the premium rate prior to the increase or  
513 as minimum and maximum percentages if the rate increase is variable  
514 by rating characteristics.

515 (B) The company, society, corporation or center may provide, in a fair  
516 manner, any additional explanatory information related to a premium  
517 rate or rate schedule revision.

518 (4) (A) Any such company, society, corporation or center may  
519 exclude from the disclosure required under subdivision (3) of this  
520 subsection premium rate increases that only apply to blocks of business  
521 or long-term care policies acquired from a nonaffiliated company,  
522 society, corporation or center and that occurred prior to the acquisition.

523 (B) If an acquiring company, society, corporation or center files a  
524 request for a premium rate increase on or before January 1, 2015, or the  
525 end of a twenty-four-month period after the acquisition, whichever is  
526 later, for a block of policy forms or long-term care policies acquired from  
527 a nonaffiliated company, society, corporation or center such acquiring  
528 company, society, corporation or center may exclude from the  
529 disclosure required under subdivision (3) of this subsection such  
530 premium rate increase, except that the nonaffiliated company, society,  
531 corporation or center selling such block of policy forms or long-term  
532 care policies shall include such premium rate increase in such  
533 disclosure.

534 (C) If an acquiring company, society, corporation or center under  
535 subparagraph (B) of this subdivision files a subsequent request, even  
536 within the twenty-four-month period specified in said subparagraph,  
537 for a premium rate increase on the same block of policy forms or long-  
538 term care policies set forth in said subparagraph, the acquiring

539 company, society, corporation or center shall include in the disclosure  
540 required under subdivision (3) of this subsection such premium rate  
541 increase and any premium rate increase filed and approved pursuant to  
542 subparagraph (B) of this subdivision.

543 (d) The commissioner shall adopt regulations, in accordance with  
544 chapter 54, that address (1) the insured's right to information prior to his  
545 replacing an accident and sickness policy with a long-term care policy,  
546 (2) the insured's right to return a long-term care policy to the insurer,  
547 within a specified period of time after delivery, for cancellation, and (3)  
548 the insured's right to accept by the insured's signature, and prior to it  
549 becoming effective, any rider or endorsement added to a long-term care  
550 policy after the issuance date of such policy, provided (A) any  
551 regulations adopted pursuant to subdivisions (1) and (2) of this  
552 subsection shall not be applicable to (i) any long-term care policy that is  
553 delivered or issued for delivery to one or more employers or labor  
554 organizations, or to a trust or to the trustees of a fund established by one  
555 or more employers or labor organizations, or a combination thereof or  
556 for members or former members or a combination thereof, of the labor  
557 organizations, or (ii) noncontributory plans, and (B) any regulations  
558 adopted pursuant to subdivision (3) of this subsection shall not be  
559 applicable to any group long-term care policy. The commissioner shall  
560 adopt such additional regulations as the commissioner deems necessary  
561 in accordance with said chapter 54 to carry out the purpose of this  
562 section.

563 (e) The commissioner may, upon written request by any such  
564 company, society, corporation or center, issue an order to modify or  
565 suspend a specific provision of this section or any regulation adopted  
566 pursuant thereto with respect to a specific long-term care policy upon a  
567 written finding that: (1) The modification or suspension would be in the  
568 best interest of the insureds; (2) the purposes to be achieved could not  
569 be effectively or efficiently achieved without such modification or  
570 suspension; and (3) (A) the modification or suspension is necessary to  
571 the development of an innovative and reasonable approach for insuring  
572 long-term care, (B) the policy is to be issued to residents of a life care or

573 continuing care retirement community or other residential community  
 574 for the elderly and the modification or suspension is reasonably related  
 575 to the special needs or nature of such community, or (C) the  
 576 modification or suspension is necessary to permit long-term care  
 577 policies to be sold as part of, or in conjunction with, another insurance  
 578 product. Whenever the commissioner decides not to issue such an order,  
 579 the commissioner shall provide written notice of such decision to the  
 580 requesting party in a timely manner.

581 (f) Upon written request by any such company, society, corporation  
 582 or center, the commissioner may issue an order to extend the preexisting  
 583 condition exclusion period, as established by regulations adopted  
 584 pursuant to this section, for purposes of specific age group categories in  
 585 a specific long-term care policy form whenever [he] the commissioner  
 586 makes a written finding that such an extension is in the best interest to  
 587 the public. Whenever the commissioner decides not to issue such an  
 588 order, the commissioner shall provide written notice of such decision to  
 589 the requesting party in a timely manner.

590 (g) The provisions of section 38a-19 shall be applicable to any such  
 591 requesting party aggrieved by any order or decision of the  
 592 commissioner made pursuant to subsections (e) and (f) of this section.

593 Sec. 8. Section 38a-475a of the general statutes is repealed. (*Effective*  
 594 *January 1, 2026*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>January 1, 2026</i>	38a-458
Sec. 3	<i>January 1, 2026</i>	38a-430(a)
Sec. 4	<i>January 1, 2026, and applicable to taxable years commencing on or after January 1, 2026</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>January 1, 2026</i>	38a-501

Sec. 7	<i>January 1, 2026</i>	38a-528
Sec. 8	<i>January 1, 2026</i>	Repealer section

**INS**      *Joint Favorable Subst.*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Revenue Serv., Dept.	GF - Revenue Loss	None	67.2 million
Revenue Serv., Dept.	GF - Cost	None	20,000
Insurance Dept.	IF - Cost	45,000-75,000	None

Note: IF=Insurance Fund; GF=General Fund

### **Municipal Impact:** None

### **Explanation**

The bill, which makes various changes to long-term care insurance (LTC) policy laws, establishes a LTC premium tax credit, and requires certain evaluations by the Insurance Department, results in (1) an ongoing General Fund revenue loss of \$67.2 million beginning in FY 27, (2) a one-time Insurance Fund cost of \$45,000 to \$75,000 in FY 26 only, and (3) a one-time General Fund cost to the Department of Revenue Services (DRS) of \$20,000 in FY 27 only.

### **LTC Tax Credit**

**Section 4** establishes a personal income tax credit of 20% of LTC insurance premiums paid for resident filers with federal adjusted gross income of less than \$200,000. This results a (1) General Fund revenue loss of \$67.2 million in FY 27 and (2) one-time cost of \$20,000 to the (DRS) to implement tax form changes in FY 27 only.

### **Insurance Department Evaluations**

**Sections 1 and 5** require the Insurance Department to conduct two

evaluations by February 1, 2026: (1) an alternative pool for LTC policyholders; and (2) the department's individual and group LTC premium rate filing processes. The estimated costs are \$30,000 to \$50,000 and \$15,000 to \$25,000 for each evaluation, respectively. This results in a one-time cost of \$45,000 to \$75,000 to the Insurance Fund in FY 26 associated with hiring a contractor to complete the evaluations.

### ***The Out Years***

The revenue impact identified above would continue into the future subject to inflation in long-term care insurance premiums.

The cost impacts identified above are one-time in nature and do not result in a fiscal impact in the out years.

*Sources: AARP  
CTMirror "Policyholders Press CT Lawmakers for Long-Term Care Insurance Reform", 2/11/25*

**OLR Bill Analysis****sSB 1269*****AN ACT CONCERNING LONG-TERM CARE INSURANCE.*****SUMMARY**

This bill makes various changes in laws related to long-term care (LTC) insurance policies (see BACKGROUND), specifically related to things such as LTC riders, individual and group LTC insurance premium rate increases, and tax credits for certain LTC policy premiums.

Regarding LTC riders, the bill specifically allows certain life insurance companies doing business in the state to issue LTC riders subject to requirements the bill establishes and state insurance statutes and regulations. Under the bill, an “LTC rider” is any provision or endorsement attached to an annuity contract or certificate that provides LTC benefits for qualified LTC services (see below).

Regarding individual and group LTC policy premium rate increases, the bill caps, at 10%, the premium rate increases that LTC insurers (i.e. insurers, fraternal benefit societies, hospital or medical service corporations, and HMOs) can request in their rate filings. However, regardless of this provision, the bill prohibits LTC insurers from filing a premium rate increase that exceeds the most recent calendar year average in the consumer price index for urban consumers, if the policyholder has held the LTC policy for at least 15 years.

The bill repeals a provision it makes obsolete related to a minimum set of affordable benefit options that current law requires LTC insurers to offer in any individual or group LTC policy for which they have filed a 20% or higher premium rate increase.

Additionally, the bill generally allows an eligible taxpayer (see below) to get a credit against the state income tax in an amount equal to 20% of the LTC policy premiums he or she paid during the taxable year for which he or she is the insured.

It also requires the Insurance Department, by February 1, 2026, to report to the Insurance and Real Estate Committee an evaluation of (1) an alternative pool for LTC policyholders over 20 years and (2) the individual and group LTC premium rate filing processes as amended by the bill (§§ 1 & 5).

Lastly it makes minor, technical, and conforming changes.

EFFECTIVE DATE: January 1, 2026, except the (1) tax credit provision (§ 4) is applicable to taxable years beginning on or after January 1, 2026, and (2) Insurance Department reporting provisions (§§ 1 & 5) are effective upon passage.

## **§§ 2 & 3 — LONG-TERM CARE RIDERS**

### ***License and Approval Requirements***

Under the bill, to be authorized to sell LTC riders in the state, a life insurance company must be doing business in the state and be licensed to issue both life and health insurance here.

As is the case under existing law for other riders, the bill requires LTC riders used in connection with a life insurance policy or annuity contract delivered or issued in the state to be filed with and approved by the insurance commissioner.

### ***Disclosure Requirements***

Any life insurance company that issues an LTC rider under the bill must disclose the following to each policyholder in writing:

1. the cost of the LTC rider and any impact it may have on the annuity contract's benefits, including reductions in death benefits or surrender value;
2. any conditions or LTC benefit triggers required by state or federal law, including qualifying events such as an inability to perform at least two activities of daily living or conditions related to severe cognitive impairment; and
3. any exclusions, limitations, or coordination of benefits with other



insurance coverage.

**Other Requirements**

The bill also requires life insurance companies that issue an LTC rider to:

1. comply with any applicable requirement under Connecticut insurance laws regarding annuity contract suitability, LTC insurance, and disclosure;
2. comply with any applicable requirements under federal law, including tax-qualified LTC policy requirements under HIPAA;
3. include nonforfeiture benefits required under Connecticut insurance statutes and applicable regulations;
4. only provide coverage for LTC rider benefits upon the occurrence of a qualifying event, as defined in the policy and required under Connecticut insurance statutes and regulations and federal law; and
5. allow a policyholder to cancel the LTC rider within 30 days after receiving it, without penalty.

**Qualified LTC Services**

Under the bill, “qualified LTC services” are necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services, as well as maintenance or personal care services, required by a chronically ill individual and prescribed by a licensed health care practitioner.

**§§ 6 & 7 — PREMIUM RATE INCREASES OF LTC POLICIES**

Under current law, any LTC insurer that requests a premium rate increase of 20% or more in its rate filing for an individual or group LTC policy must spread the increase over at least a three-year period and not file a rate filing for an increase during that period. Current law also requires the insurers to use a periodic rate increase that is actuarially equivalent to a single rate increase and a current interest rate during the

period.

The bill eliminates these requirements and instead caps, at 10%, the premium rate increase that LTC insurers can request in their LTC policy rate filings. However, regardless of this provision, for policyholders that have held their LTC policies for at least 15 years, the bill prohibits LTC insurers from filing a premium rate increase that exceeds the most recent calendar year average in the consumer price index for urban consumers.

### **§ 8 — AFFORDABLE BENEFIT OPTIONS REPEALED**

Under current law, the insurance commissioner must develop and prescribe a minimum set of affordable benefit options to be offered by an LTC insurer that submits a rate filing for an individual or group LTC policy premium rate increase of 20% or more. The bill repeals this provision, which it makes obsolete, and eliminates related provisions in current law that require LTC insurers to disclose the availability of these affordable benefit options to policyholders.

### **§ 4 — TAX CREDIT FOR ELIGIBLE TAXPAYERS**

The bill generally allows a resident of this state (see below) whose federal adjusted gross income is less than \$200,000 (“eligible taxpayer”) to get a credit against his or her state income tax, excluding any liability on payroll or nonpayroll taxes deducted and withheld, in an amount equal to 20% of the premiums paid by the eligible taxpayer during the taxable year for an LTC policy for which the eligible taxpayer is the insured. This tax credit is applicable to tax years starting on or after January 1, 2026.

#### ***Resident of This State***

Under the bill, a “resident of the state” is any natural person (1) who is generally domiciled in this state or (2) who is not domiciled in this state but maintains a permanent residence in this state and is in this state for an aggregate of more than 183 days of the taxable year, unless the person is in active service in the U.S. armed forces (CGS § 12-701).

### **BACKGROUND**

**Long-Term Care Policy**

By law, an “LTC policy” generally means any individual or group health insurance policy or certificate delivered or issued for delivery to a resident of this state on or after July 1, 1986, that is designed to provide, within the terms and conditions of the policy or certificate, benefits on an expense-incurred, indemnity, or prepaid basis for necessary care or treatment of an injury, illness, or loss of functional capacity provided by a certified or licensed health care provider in a setting other than an acute care hospital, for at least one year after a certain elimination period (CGS §§ 38a-501 & -528).

**Related Bills**

SB 1278, favorably reported by the Aging Committee, creates a personal income tax deduction for LTC insurance premiums by allowing taxpayers to reduce their Connecticut adjusted gross income by the amount of any LTC insurance premiums they paid in the taxable year. It also requires LTC insurers, before implementing a premium rate increase of more than 10%, to hold a public hearing and notify policyholders about the hearing date and time at least 14 days in advance.

sHB 7183, favorably reported by the Government Oversight Committee, (1) has provisions related to the evaluations and reports that this bill requires of the Insurance Department (§§ 1 & 5); (2) requires the Insurance Department to hold a hearing for any LTC policy premium rate increase above 10% and LTC insurers to give policyholders at least 14 days’ notice of the hearing (§ 2); (3) requires LTC insurers to notify policyholders of the risk of future premium increases (§ 3); (4) indexes premium rate increases to the consumer price index for urban consumers for certain policies (§ 4); and (5) requires the state auditors to audit the Connecticut LTC Partnership (§ 6).

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 12    Nay 1    (03/11/2025)