

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◇ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-1269

AN ACT CONCERNING LONG-TERM CARE INSURANCE.

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