

Government Oversight Committee

JOINT FAVORABLE REPORT

Bill No.: HB-7183

AN ACT CONCERNING THE REGULATION OF LONG-TERM CARE

Title: INSURANCE AND REPORTS CONCERNING SUCH INSURANCE.

Vote Date: 3/18/2025

Vote Action: Joint Favorable Substitute

PH Date: 3/11/2025

File No.:

Disclaimer: *The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Government Oversight Committee
Rep Napoli

REASONS FOR BILL:

This bill requires Connecticut Insurance Department to submit a report to the Government Oversight and Insurance & Real Estate Committees on an evaluation of an alternative pool for long-term care policyholders in excess of 20 years. Additionally, this bill requires CID to hold a public hearing on long-term care premium rate increase requests that exceed 10% and provide notice to the Insurance & Real Estate Committee. It prohibits insurance companies and other entities from issuing or renewing long-term care insurance policies after January 1, 2026, unless they provide written notice to an individual prior to the purchase of any long-term care policy educating them of the the risk with future premium rate increases.

Sec 4 prohibits insurance companies and other entities from implementing premium rate increases after January 1, 2026, that exceed the most recent calendar year average in the consumer price index. This bill requires Office of Health Strategy to conduct an evaluation of long-term care insurance and identify best practices for the regulation of such insurance including potential modifications to the rate-filing process. OHS is required to submit a report by February 1, 2026, to the Government Oversight and Insurance & Real Estate Committees with recommendations for legislation.

SUBSTITUTE LANGUAGE:

Modifies section 5 to require OPM, Insurance Department and OHE to do evaluation and report, and adds a new section 6 regarding an audit of the CT Partnership in Long Term Care.

RESPONSE FROM ADMINISTRATION/AGENCY:

Deidre S. Gifford: Commissioner, Office of Health Strategy:

OHS opposes Section 5, long-term care insurance policies are outside the expertise of their agency and would require considerable resources that are not currently within the agency.

NATURE AND SOURCES OF SUPPORT:

Jan Kritzman: Citizen:

Supports legislation designed to regulate the Long-Term Care Insurance Industry.

Ken Kollmeyer: Citizen:

Supports the bill and feels the "playing fields must and can be leveled" and offers several suggestions as to how to do that.

NATURE AND SOURCES OF OPPOSITION:

Amanda Herrington: Executive Director, The American Council of Life Insurers

Jill Rickard: Regional Vice President, State Relations, The American Council of Life Insurers

Eric George: President, Insurance Association of Connecticut:

Herrington, Rickard and George collectively oppose this bill, they feel arbitrary restrictions, such as those proposed, open the door for allowing political or social considerations to override actuarial principles and set a precedent that could lead to unintended consequences. They feel insurers have a fundamental responsibility to ensure the financial sustainability of their products, and actuarially sound rates are critical to this goal. They feel there are appropriate protections in place to protect consumers.

David I. Schwartzer: Citizen:

Mr. Schwartzer opposes the bill and is against asking the Connecticut Insurance Department or the LTCI industry to prepare reports or hold public hearings, as they tend to bring no actual relief to policyholders. He believes that forcing insurers to send notices is duplicative of what carriers already do and feels sending the notices is another scare tactic.

Reported by: Greg Wolff

Date: 3/24/25