

Government Administration and Elections Committee
JOINT FAVORABLE REPORT

Bill No.: HB-7226

AN ACT CONCERNING LONG-TERM CARE INSURANCE AND ELIGIBILITY

Title: FOR STATE CONTRACTS.

Vote Date: 3/26/2025

Vote Action: Joint Favorable

PH Date: 3/21/2025

File No.:

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SPONSORS OF BILL:

Government Administration and Elections Committee
Rep. Matt Blumenthal 147th Dist.

REASONS FOR BILL:

There has been a growing concern over the unexpected increases in premiums for long-term care insurance. Many policy holders have been charged large, unexpected premiums that has caused some of them to drop their policies over financial considerations. Insurance carriers have used the threat of insolvency to justify rate increases which has sometimes been misleading. This bill would seek to require that a public hearing be held on rate increases of over 10 percent and notify said policy holders. It would also seek to have potential policy holders notified of the risk of policy increases before the purchase of any long-term care policy. It would require that insurers certify that there is a risk of insolvency during this process and prohibit them into entering state contracts for violating any of this bill's provisions. This would ensure consumers are aware of any policy increases and prevent insurers using misleading statements of insolvency to justify rate increases.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed.

NATURE AND SOURCES OF SUPPORT:

None Expressed.

NATURE AND SOURCES OF OPPOSITION:

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

Amanda herrington, Executive Director, American Council of Life Insurers:

As insurers navigating the complexities of healthcare advances in medicine and shifting demographics, we must seek rate increases for long-term care to honor our pay claims in the future. The ability to adjust rates is a fundamental aspect of long-term care insurance. Connecticut's state insurance department is cautious about approving rate increases and consumers do have the option to make modifications to their coverage. We understand consumer protection but requiring an insurer to face a "material risk of insolvency" is imprudent and dangerously short-sighted. There is no guaranteed renewable for long-term care insurance. Striking a fair balance between insurer flexibility and consumer protection is crucial to the long-term care insurance industry.

Reported by: Pamela Bianca

Date: April 2, 2025