

Insurance and Real Estate Committee JOINT FAVORABLE REPORT

Bill No.: SB-1278

Title: AN ACT CONCERNING LONG-TERM CARE INSURANCE PREMIUM RATES.

Vote Date: 3/11/2025

Vote Action: Joint Favorable

PH Date: 2/20/2025

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:

Aging Committee

REASONS FOR BILL:

Senate Bill 1278 was introduced by the Aging Committee to allow for an income tax deduction on long term care insurance premiums pursuant to section [38a-475](#) and [38a-501](#), for the Insurance Department to hold public hearings for long-term care premium increases that exceed ten percent, and require that policyholders are made aware of that hearing at least fourteen days in advance.

The legislature recognizes that premium rates for long-term care insurance have been increasing at unsustainable rates for policyholders. In the year 2000, there were more than 100 providers of long-term care insurance, whereas in recent years, that number has dropped to less than a dozen. This decreases competitive pricing, causing rates to increase. To protect consumers, the legislature proposed SB 1278 to create a tax deduction for policyholders to retain income and wealth, and hold public hearings when rates increase above ten percent to maintain transparency and inform the public of why rates are increasing.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed.

NATURE AND SOURCES OF SUPPORT:

[Asha Samal, Owner, Home Matters Caregiving](#) submitted testimony in support of this bill. She believes that this change will help both seniors and individuals with disabilities with their financial security while simultaneously maintaining their benefits.

NATURE AND SOURCES OF OPPOSITION:

[Jill Rickard, Regional Vice President of State Relations, ACLI](#)

[Eric George, President, IAC](#)

[Amanda Herrington, Executive Director, AHIP](#)

All three of the above submitted joint testimony in opposition to SB 1278. They believe that passage would elicit unintended consequences in insurer stability and consumer protection. They emphasize that the evolving landscape of healthcare requires delicate balancing of pricing systems that will both provide financial security to insurance companies and protect the interests of policyholders. They also state that they believe current processes are sufficient regarding rate changes in long-term care insurance policy. They state, "current Connecticut law prohibits an insurer from using or changing premium rates for long-term care policy unless the rate is filed...and approved by the insurance commissioner," and to do so, it must be justified. Similarly, they believe adoption of this bill is premature, as their current framework for adjusting long-term rates, titled "Multi-State Rate Review Framework," is sufficient at rate review practices and reducing inequitable rate policy.

Reported by: Michael Flynn

Date: 03/20/2025