



General Assembly

January Session, 2025

Raised Bill No. 7226

LCO No. 6217



Referred to Committee on GOVERNMENT ADMINISTRATION
AND ELECTIONS

Introduced by:
(GAE)

***AN ACT CONCERNING LONG-TERM CARE INSURANCE AND
ELIGIBILITY FOR STATE CONTRACTS.***

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

1 Section 1. (NEW) (*Effective January 1, 2026*) The Insurance Department
2 shall hold a public hearing for long-term care premium rate increase
3 requests that exceed ten per cent. Any insurance company, fraternal
4 benefit society, hospital service corporation, medical service corporation
5 or health care center that requests such premium rate increase shall
6 provide each policyholder with advance written notice of the date and
7 time of such hearing not less than fourteen days in advance of such date.

8 Sec. 2. (NEW) (*Effective January 1, 2026*) No insurance company,
9 fraternal benefit society, hospital service corporation, medical service
10 corporation or health care center may deliver, issue for delivery, renew,
11 continue or amend any long-term care policy in this state on or after
12 January 1, 2026, unless such insurance company, fraternal benefit
13 society, hospital service corporation, medical service corporation or
14 health care center provides written notice to an individual prior to the

15 purchase of any long-term care policy of the risk of future premium rate
16 increases.

17 Sec. 3. Subsection (b) of section 38a-501 of the general statutes is
18 repealed and the following is substituted in lieu thereof (*Effective January*
19 *1, 2026*):

20 (b) (1) No insurance company, fraternal benefit society, hospital
21 service corporation, medical service corporation or health care center
22 may deliver or issue for delivery any long-term care policy that has a
23 loss ratio of less than sixty per cent for any individual long-term care
24 policy. An issuer shall not use or change premium rates for a long-term
25 care policy unless the rates have been filed with and approved by the
26 commissioner. Any rate filings or rate revisions shall (A) demonstrate
27 that anticipated claims in relation to premiums when combined with
28 actual experience to date can be expected to comply with the loss ratio
29 requirement of this section, and (B) certify that the increase is necessary
30 to prevent a material risk of insolvency. A rate filing shall include the
31 factors and methodology used to estimate irrevocable trust values if the
32 policy includes an option for the elimination period specified in
33 subdivision (1) of subsection (a) of this section.

34 (2) (A) Any insurance company, fraternal benefit society, hospital
35 service corporation, medical service corporation or health care center
36 that files a rate filing for an increase in premium rates for a long-term
37 care policy that is for twenty per cent or more shall spread the increase
38 over a period of not less than three years and not file a rate filing for an
39 increase in premium rates for the long-term care policy during the
40 period chosen. Such company, society, corporation or center shall use a
41 periodic rate increase that is actuarially equivalent to a single rate
42 increase and a current interest rate for the period chosen.

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

45 (i) Notify its policyholders of such premium rate increase and make

46 available to such policyholders the additional choice of reducing the
47 policy benefits to reduce the premium rate or electing coverage that
48 reflects the minimum set of affordable benefit options developed by the
49 commissioner pursuant to section 38a-475a. Such notice shall include a
50 description of such policy benefit reductions and minimum set of
51 affordable benefit options. The premium rates for any benefit reductions
52 shall be based on the new premium rate schedule;

53 (ii) Provide policyholders not less than thirty calendar days to elect a
54 reduction in policy benefits or coverage that reflects the minimum set of
55 affordable benefit options developed by the commissioner pursuant to
56 section 38a-475a; and

57 (iii) Include a statement in such notice that if a policyholder fails to
58 elect a reduction in policy benefits or coverage that reflects the
59 minimum set of affordable benefit options developed by the
60 commissioner pursuant to section 38a-475a by the end of the notice
61 period and has not cancelled the policy, the policyholder will be deemed
62 to have elected to retain the existing policy benefits.

63 Sec. 4. (NEW) (*Effective January 1, 2026*) (a) As used in this section:

64 (1) "State agency" means any office, department, board, council,
65 commission, institution or other agency in the executive, legislative or
66 judicial branch of state government;

67 (2) "State contract" means an agreement or a combination or series of
68 agreements between a state agency and a person, firm or corporation,
69 having a total value of more than one hundred thousand dollars in a
70 calendar or fiscal year, for (A) a project for the construction, alteration
71 or repair of any public building or public work, (B) services, including,
72 but not limited to, consulting and professional services, (C) the
73 procurement of supplies, materials or equipment, (D) a lease, or (E) a
74 licensing arrangement. "State contract" does not include a contract
75 between a state agency or a quasi-public agency and a political
76 subdivision of the state;

77 (3) "Insurer" means any insurance company, fraternal benefit society,
78 hospital service corporation, medical service corporation or health care
79 center; and

80 (4) "Principals and key personnel" means officers, directors,
81 shareholders, members, partners and managerial employees.

82 (b) On and after October 1, 2025, no state agency shall execute a state
83 contract with an insurer unless such contract contains the representation
84 described in this section.

85 (c) Any principal or key personnel of the insurer submitting a bid or
86 proposal for a state contract shall represent that no such principals and
87 key personnel of the insurer, or agent of such insurer, has been found in
88 violation of section 1 or 2 of this act or subsection (b) of section 38a-501
89 of the general statutes, as amended by this act, during the immediately
90 preceding five years.

91 (d) Any bidder or proposer that does not agree to the representations
92 required under this section shall be rejected and the state agency shall
93 award the contract to the next highest ranked proposer or the next
94 lowest responsible qualified bidder or seek new bids or proposals.

95 (e) Each state agency shall include in the bid specifications or request
96 for proposals for a state contract a notice of the representation
97 requirements of this section.

98 (f) The Insurance Commissioner and the Commissioner of
99 Administrative Services shall enter into a memorandum of
100 understanding concerning the sharing of information to enable the
101 Commissioner of Administrative Services to verify a representation
102 made under this section.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	January 1, 2026	New section
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Sec. 2	<i>January 1, 2026</i>	New section
Sec. 3	<i>January 1, 2026</i>	38a-501(b)
Sec. 4	<i>January 1, 2026</i>	New section

Statement of Purpose:

To: (1) Require a public hearing concerning long-term care premium rate increase requests in excess of ten per cent and insurers to notify policyholders of such hearing; (2) require notice to individuals of the risk of long-term care premium rate increases prior to the purchase of any long-term care policy; (3) require insurers to certify material risk of insolvency during the premium rate filing process; and (4) prohibit any insurer that violates the provisions of this act from entering into state contracts.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]