



General Assembly

January Session, 2025

***Raised Bill No. 1269***

LCO No. 4286



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

***AN ACT CONCERNING LONG-TERM CARE INSURANCE.***

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

1      Section 1. (*Effective from passage*) Not later than February 1, 2026, the  
2      Insurance Department shall prepare and submit a report, in accordance  
3      with the provisions of section 11-4a of the general statutes, to the joint  
4      standing committee of the General Assembly having cognizance of  
5      matters relating to insurance. Such report shall include an evaluation of  
6      an alternative pool for long-term care policyholders in excess of twenty  
7      years.

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

15     Sec. 3. (NEW) (*Effective January 1, 2026*) No insurance company,  
16     fraternal benefit society, hospital service corporation, medical service  
17     corporation or health care center may deliver, issue for delivery, renew,

18 continue or amend any long-term care policy in this state on or after  
19 January 1, 2026, unless such insurance company, fraternal benefit  
20 society, hospital service corporation, medical service corporation or  
21 health care center provides written notice to an individual prior to the  
22 purchase of any long-term care policy of the risk of future premium rate  
23 increases.

24 Sec. 4. (NEW) (*Effective January 1, 2026*) In addition to the  
25 requirements of sections 38a-501 and 38a-528 of the general statutes, no  
26 insurance company, fraternal benefit society, hospital service  
27 corporation, medical service corporation or health care center renewing  
28 any long-term care policy in this state on or after January 1, 2026, shall  
29 implement a premium rate increase that exceeds the most recent  
30 calendar year average in the consumer price index for urban consumers,  
31 as published by the United States Department of Labor, Bureau of Labor  
32 Statistics, provided: (1) Such long-term care policy was initially  
33 purchased by the policyholder on or before December 31, 1985; and (2)  
34 the policyholder of such long-term care policy has (A) attained the age  
35 of eighty, or (B) paid a maximum lifetime premium rate increase of not  
36 less than four hundred per cent. For the purposes of this section, "long-  
37 term care policy" has the same meaning as provided in section 38a-501  
38 or 38a-528 of the general statutes, as applicable.

39 Sec. 5. Section 38a-458 of the general statutes is repealed and the  
40 following is substituted in lieu thereof (*Effective October 1, 2025*):

41 (a) As used in this section, "long-term care rider" means any provision  
42 or endorsement attached to any annuity contract or certificate that  
43 provides long-term care benefits for qualified long-term care services as  
44 provided in Section 7702B(c)(1) of the Internal Revenue Code of 1986, or  
45 any subsequent corresponding internal revenue code of the United  
46 States, as amended from time to time.

47 ~~[(a)]~~ (b) Provided such company is licensed for both life and health  
48 insurance in this state, any life insurance company doing business in this

49 state may issue life insurance policies or certificates, or riders or  
 50 endorsements thereto, that provide, within the terms and conditions of  
 51 the policy or certificate, long-term care benefits as described in section  
 52 38a-501 or 38a-528, except as specified in subsection [(c)] (d) of this  
 53 section. The Insurance Commissioner may adopt regulations, in  
 54 accordance with chapter 54, to implement the provisions of this section.

55 [(b)] (c) (1) Provided such company is licensed for both life and health  
 56 insurance in this state, any life insurance company doing business in this  
 57 state may issue annuity contracts or certificates, or riders, including  
 58 long-term care riders subject to the requirements of this subsection, and  
 59 any applicable requirement under this title or any regulation adopted  
 60 by the commissioner, in accordance with the provisions of chapter 54,  
 61 or endorsements thereto, that provide, within the terms and conditions  
 62 of the contract or certificate, long-term care benefits as described in  
 63 section 38a-501 or 38a-528, except as specified in subsection [(c)] (d) of  
 64 this section, and that waive the surrender charges under such contract  
 65 or accelerate a specified portion of the annuity value of such contract.

66 (2) Any life insurance company that issues any long-term care rider  
 67 that provides long-term care benefits pursuant to subdivision (1) of this  
 68 subsection shall provide each policyholder with a written disclosure for  
 69 such long-term care rider that includes (A) the cost of such long-term  
 70 care rider and any impact that such long-term care rider may have on  
 71 the annuity contract's benefits, including, but not limited to, reductions  
 72 in death benefits or surrender value, (B) any conditions or long-term  
 73 care benefit triggers required by state or federal law, including, but not  
 74 limited to, qualifying events, including an inability to perform at least  
 75 two activities of daily living or such conditions related to severe  
 76 cognitive impairment, and (C) any exclusions, limitations or  
 77 coordination of benefits with other insurance coverage.

78 (3) Any life insurance company that issues any long-term care rider  
 79 that provides long-term care benefits pursuant to subdivision (1) of this  
 80 subsection shall (A) comply with any applicable requirement under title

81 38a concerning annuity contract suitability, long-term care insurance  
82 and disclosure requirements, (B) comply with any applicable  
83 requirements under federal law, including, but not limited to, tax-  
84 qualified long-term care policy requirements under the Health  
85 Insurance Portability and Accountability Act of 1996, P.L. 104-191, as  
86 amended from time to time, (C) include nonforfeiture benefits required  
87 under this chapter and any applicable regulations adopted by the  
88 commissioner in accordance with the provisions of chapter 54, and (D)  
89 only provide coverage for long-term care rider benefits upon the  
90 occurrence of a qualifying event, as defined in the policy and required  
91 under title 38a, federal law and regulations adopted by the  
92 commissioner in accordance with the provisions of chapter 54.

93 (4) Any policyholder may cancel, without penalty, any such long-  
94 term care rider issued pursuant to subdivision (1) of this subsection not  
95 later than thirty days after receipt of such long-term care rider.

96 [(c)] (d) Long-term care benefits provided pursuant to subsection [(a)]  
97 (b) or [(b)] (c) of this section shall not be subject to the requirements of  
98 subsection (b) of section 38a-501 or subsection (b) of section 38a-528.

99 [(d)] (e) No insurance producer shall sell any such policy, certificate,  
100 rider or endorsement unless the producer is licensed to sell both life and  
101 health insurance in this state.

102 [(e)] (f) A life insurance policy or annuity contract with long-term care  
103 benefits issued pursuant to this section may include a rider that  
104 provides long-term care benefits that become payable upon exhaustion  
105 of a specified amount of the death benefit under the life insurance policy  
106 or a specified amount of the annuity value of the annuity contract. Any  
107 elimination period limitations shall apply only to the acceleration phase  
108 of the life insurance policy or annuity contract to which the rider is  
109 attached. Such rider shall not contain an additional elimination period  
110 and may calculate the waiver of premium from the time benefits are  
111 payable under such rider.

112 Sec. 6. Subsection (a) of section 38a-430 of the general statutes is  
 113 repealed and the following is substituted in lieu thereof (*Effective October*  
 114 *1, 2025*):

115 (a) No life insurance or annuity policy or contract shall be delivered  
 116 or issued for delivery to any person in this state, nor shall any  
 117 application, rider, including a long-term care rider, as defined in section  
 118 38a-458, as amended by this act, or endorsement be used in connection  
 119 therewith, until a copy of the form thereof shall have been filed with and  
 120 approved by the commissioner. The commissioner shall adopt  
 121 regulations, in accordance with the provisions of chapter 54,  
 122 establishing a procedure for review of such policies and contracts. The  
 123 commissioner shall issue an order disapproving the use of any such  
 124 form at any time if it does not comply with the requirements of law, or  
 125 if it contains a provision or provisions that are unfair or deceptive or  
 126 that encourage misrepresentation of the policy. The commissioner shall  
 127 specify the reason for the commissioner's disapproval. The provisions  
 128 of section 38a-19 shall apply to any such order issued by the  
 129 commissioner.

130 Sec. 7. (NEW) (*Effective January 1, 2026, and applicable to taxable years*  
 131 *commencing on or after January 1, 2026*) Any eligible taxpayer subject to  
 132 the tax under chapter 229 of the general statutes shall be allowed a credit  
 133 against the tax imposed under said chapter, other than the liability  
 134 imposed under section 12-707 of the general statutes, in an amount  
 135 equal to twenty per cent of the premiums paid by such eligible taxpayer  
 136 during the taxable year for a long-term care policy, as defined in section  
 137 38a-501 or 38a-528 of the general statutes, for which the eligible taxpayer  
 138 is the insured. As used in this section, (1) "eligible taxpayer" means any  
 139 resident of this state with a federal adjusted gross income of less than  
 140 two hundred thousand dollars, and (2) "resident of this state" has the  
 141 same meaning as provided in section 12-701 of the general statutes.

142 Sec. 8. (*Effective from passage*) Not later than February 1, 2026, the  
 143 Insurance Department shall prepare and submit a report, in accordance

144 with the provisions of section 11-4a of the general statutes, to the joint  
 145 standing committee of the General Assembly having cognizance of  
 146 matters relating to insurance. Such report shall include an evaluation of  
 147 the individual and group long-term care premium rate filing processes  
 148 established under sections 38a-501 and 38a-528 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>January 1, 2026</i>	New section
Sec. 3	<i>January 1, 2026</i>	New section
Sec. 4	<i>January 1, 2026</i>	New section
Sec. 5	<i>October 1, 2025</i>	38a-458
Sec. 6	<i>October 1, 2025</i>	38a-430(a)
Sec. 7	<i>January 1, 2026, and applicable to taxable years commencing on or after January 1, 2026</i>	New section
Sec. 8	<i>from passage</i>	New section

**Statement of Purpose:**

To: (1) Require the Insurance Department to conduct a study concerning an alternative pool for long-term care policyholders; (2) require a public hearing concerning long-term care premium rate increase requests in excess of ten per cent; (3) require notice to individuals of the risk of long-term care premium rate increases prior to the purchase of any long-term care policy; (4) limit premium rate increases for certain long-term care policies renewed in this state; (5) allow life insurance companies to issue annuity contracts with long-term care riders; (6) implement a tax credit for individuals who purchase long-term care policies; and (7) require the Insurance Department to conduct a study of the long-term care premium rate filing process.

*[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.]*