



General Assembly

Substitute Bill No. 1269

January Session, 2025



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. Section 38a-458 of the general statutes is repealed and the
9 following is substituted in lieu thereof (*Effective January 1, 2026*):

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

16 [(a)] (b) Provided such company is licensed for both life and health
17 insurance in this state, any life insurance company doing business in this
18 state may issue life insurance policies or certificates, or riders or

19 endorsements thereto, that provide, within the terms and conditions of
20 the policy or certificate, long-term care benefits as described in section
21 38a-501 or 38a-528, as amended by this act, except as specified in
22 subsection [(c)] (d) of this section. The Insurance Commissioner may
23 adopt regulations, in accordance with chapter 54, to implement the
24 provisions of this section.

25 [(b)] (c) (1) Provided such company is licensed for both life and health
26 insurance in this state, any life insurance company doing business in this
27 state may issue annuity contracts or certificates, or riders, including
28 long-term care riders subject to the requirements of this subsection, and
29 any applicable requirement under this title or any regulation adopted
30 by the commissioner, in accordance with the provisions of chapter 54,
31 or endorsements thereto, that provide, within the terms and conditions
32 of the contract or certificate, long-term care benefits as described in
33 section 38a-501 or 38a-528, as amended by this act, except as specified in
34 subsection [(c)] (d) of this section, and that waive the surrender charges
35 under such contract or accelerate a specified portion of the annuity
36 value of such contract.

37 (2) Any life insurance company that issues any long-term care rider
38 that provides long-term care benefits pursuant to subdivision (1) of this
39 subsection shall provide each policyholder with a written disclosure for
40 such long-term care rider that includes (A) the cost of such long-term
41 care rider and any impact that such long-term care rider may have on
42 the annuity contract's benefits, including, but not limited to, reductions
43 in death benefits or surrender value, (B) any conditions or long-term
44 care benefit triggers required by state or federal law, including, but not
45 limited to, qualifying events, including an inability to perform at least
46 two activities of daily living or such conditions related to severe
47 cognitive impairment, and (C) any exclusions, limitations or
48 coordination of benefits with other insurance coverage.

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

52 title concerning annuity contract suitability, long-term care insurance
53 and disclosure requirements, (B) comply with any applicable
54 requirements under federal law, including, but not limited to, tax-
55 qualified long-term care policy requirements under the Health
56 Insurance Portability and Accountability Act of 1996, P.L. 104-191, as
57 amended from time to time, (C) include nonforfeiture benefits required
58 under this chapter and any applicable regulations adopted by the
59 commissioner in accordance with the provisions of chapter 54, and (D)
60 only provide coverage for long-term care rider benefits upon the
61 occurrence of a qualifying event, as defined in the policy and required
62 under this title, federal law and regulations adopted by the
63 commissioner in accordance with the provisions of chapter 54.

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

67 [(c)] (d) Long-term care benefits provided pursuant to subsection [(a)]
68 (b) or [(b)] (c) of this section shall not be subject to the requirements of
69 subsection (b) of section 38a-501, as amended by this act or subsection
70 (b) of section 38a-528, as amended by this act.

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

74 [(e)] (f) A life insurance policy or annuity contract with long-term care
75 benefits issued pursuant to this section may include a rider that
76 provides long-term care benefits that become payable upon exhaustion
77 of a specified amount of the death benefit under the life insurance policy
78 or a specified amount of the annuity value of the annuity contract. Any
79 elimination period limitations shall apply only to the acceleration phase
80 of the life insurance policy or annuity contract to which the rider is
81 attached. Such rider shall not contain an additional elimination period
82 and may calculate the waiver of premium from the time benefits are
83 payable under such rider.

84 Sec. 3. Subsection (a) of section 38a-430 of the general statutes is
85 repealed and the following is substituted in lieu thereof (*Effective January*
86 *1, 2026*):

87 (a) No life insurance or annuity policy or contract shall be delivered
88 or issued for delivery to any person in this state, nor shall any
89 application, rider, including a long-term care rider, as defined in section
90 38a-458, as amended by this act, or endorsement be used in connection
91 therewith, until a copy of the form thereof shall have been filed with and
92 approved by the commissioner. The commissioner shall adopt
93 regulations, in accordance with the provisions of chapter 54,
94 establishing a procedure for review of such policies and contracts. The
95 commissioner shall issue an order disapproving the use of any such
96 form at any time if it does not comply with the requirements of law, or
97 if it contains a provision or provisions that are unfair or deceptive or
98 that encourage misrepresentation of the policy. The commissioner shall
99 specify the reason for the commissioner's disapproval. The provisions
100 of section 38a-19 shall apply to any such order issued by the
101 commissioner.

102 Sec. 4. (NEW) (*Effective January 1, 2026, and applicable to taxable years*
103 *commencing on or after January 1, 2026*) Any eligible taxpayer subject to
104 the tax under chapter 229 of the general statutes shall be allowed a credit
105 against the tax imposed under said chapter, other than the liability
106 imposed under section 12-707 of the general statutes, in an amount
107 equal to twenty per cent of the premiums paid by such eligible taxpayer
108 during the taxable year for a long-term care policy, as defined in section
109 38a-501, as amended by this act, or 38a-528 of the general statutes, as
110 amended by this act, for which the eligible taxpayer is the insured. As
111 used in this section, (1) "eligible taxpayer" means any resident of this
112 state with a federal adjusted gross income of less than two hundred
113 thousand dollars, and (2) "resident of this state" has the same meaning
114 as provided in section 12-701 of the general statutes.

115 Sec. 5. (*Effective from passage*) Not later than February 1, 2026, the
116 Insurance Department shall prepare and submit a report, in accordance

117 with the provisions of section 11-4a of the general statutes, to the joint
118 standing committee of the General Assembly having cognizance of
119 matters relating to insurance. Such report shall include an evaluation of
120 the individual and group long-term care premium rate filing processes
121 established under sections 38a-501, as amended by this act, and 38a-528
122 of the general statutes, as amended by this act.

123 Sec. 6. Section 38a-501 of the general statutes is repealed and the
124 following is substituted in lieu thereof (*Effective January 1, 2026*):

125 (a) (1) As used in this section, [and section 38a-475a,] "long-term care
126 policy" means any individual health insurance policy delivered or
127 issued for delivery to any resident of this state on or after July 1, 1986,
128 that is designed to provide, within the terms and conditions of the
129 policy, benefits on an expense-incurred, indemnity or prepaid basis for
130 necessary care or treatment of an injury, illness or loss of functional
131 capacity provided by a certified or licensed health care provider in a
132 setting other than an acute care hospital, for at least one year after an
133 elimination period (A) not to exceed one hundred days of confinement,
134 or (B) of over one hundred days but not to exceed two years of
135 confinement, provided such period is covered by an irrevocable trust in
136 an amount estimated to be sufficient to furnish coverage to the grantor
137 of the trust for the duration of the elimination period. Such trust shall
138 create an unconditional duty to pay the full amount held in trust
139 exclusively to cover the costs of confinement during the elimination
140 period, subject only to taxes and any trustee's charges allowed by law.
141 Payment shall be made directly to the provider. The duty of the trustee
142 may be enforced by the state, the grantor or any person acting on behalf
143 of the grantor. A long-term care policy shall provide benefits for
144 confinement in a nursing home or confinement in the insured's own
145 home or both. Any additional benefits provided shall be related to long-
146 term treatment of an injury, illness or loss of functional capacity. "Long-
147 term care policy" does not include any such policy that is offered
148 primarily to provide basic Medicare supplement coverage, basic
149 medical-surgical expense coverage, hospital confinement indemnity
150 coverage, major medical expense coverage, disability income protection

151 coverage, accident only coverage, specified accident coverage or limited
152 benefit health coverage.

153 (2) (A) Notwithstanding any provision of the general statutes, no
154 insurance company, fraternal benefit society, hospital service
155 corporation, medical service corporation or health care center may
156 deliver, issue for delivery, renew, continue or amend any long-term care
157 policy in this state on or after January 1, 2022, unless the insurance
158 company, fraternal benefit society, hospital service corporation, medical
159 service corporation or health care center is authorized or licensed to sell
160 long-term care insurance and at least one other line of insurance in this
161 state.

162 (B) No insurance company, fraternal benefit society, hospital service
163 corporation, medical service corporation or health care center
164 delivering, issuing for delivery, renewing, continuing or amending any
165 long-term care policy in this state may refuse to accept, or refuse to make
166 reimbursement pursuant to, a claim for benefits submitted by or
167 prepared with the assistance of a managed residential community, as
168 defined in section 19a-693, in accordance with subdivision (7) of
169 subsection (a) of section 19a-694, solely because such claim for benefits
170 was submitted by or prepared with the assistance of a managed
171 residential community.

172 (C) Each insurance company, fraternal benefit society, hospital
173 service corporation, medical service corporation or health care center
174 delivering, issuing for delivery, renewing, continuing or amending any
175 long-term care policy in this state shall, upon receipt of a written
176 authorization executed by the insured, (i) disclose information to a
177 managed residential community for the purpose of determining such
178 insured's eligibility for an insurance benefit or payment, and (ii) provide
179 a copy of the initial acceptance or declination of a claim for benefits to
180 the managed residential community at the same time such acceptance
181 or declination is made to the insured.

182 (b) (1) No insurance company, fraternal benefit society, hospital

183 service corporation, medical service corporation or health care center
184 may deliver or issue for delivery any long-term care policy that has a
185 loss ratio of less than sixty per cent for any individual long-term care
186 policy. An issuer shall not use or change premium rates for a long-term
187 care policy unless the rates have been filed with and approved by the
188 commissioner. Any rate filings or rate revisions shall demonstrate that
189 anticipated claims in relation to premiums when combined with actual
190 experience to date can be expected to comply with the loss ratio
191 requirement of this section. A rate filing shall include the factors and
192 methodology used to estimate irrevocable trust values if the policy
193 includes an option for the elimination period specified in subdivision
194 (1) of subsection (a) of this section.

195 (2) (A) [Any] Except as provided in subdivision (3) of this subsection,
196 any insurance company, fraternal benefit society, hospital service
197 corporation, medical service corporation or health care center that files
198 a rate filing for an increase in premium rates for a long-term care policy
199 [that is for twenty per cent or more shall spread the increase over a
200 period of not less than three years and not file a rate filing for] shall not
201 request in such filing an increase in premium rates for [the] such long-
202 term care policy [during the period chosen. Such company, society,
203 corporation or center shall use a periodic rate increase that is actuarially
204 equivalent to a single rate increase and a current interest rate for the
205 period chosen] that exceeds ten per cent.

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

208 (i) Notify its policyholders of such premium rate increase and make
209 available to such policyholders the additional choice of reducing the
210 policy benefits to reduce the premium rate. [or electing coverage that
211 reflects the minimum set of affordable benefit options developed by the
212 commissioner pursuant to section 38a-475a.] Such notice shall include a
213 description of such policy benefit reductions. [and minimum set of
214 affordable benefit options.] The premium rates for any benefit
215 reductions shall be based on the new premium rate schedule;

216 (ii) Provide policyholders not less than thirty calendar days to elect a
217 reduction in policy benefits; [or coverage that reflects the minimum set
218 of affordable benefit options developed by the commissioner pursuant
219 to section 38a-475a;] and

220 (iii) Include a statement in such notice that if a policyholder fails to
221 elect a reduction in policy benefits [or coverage that reflects the
222 minimum set of affordable benefit options developed by the
223 commissioner pursuant to section 38a-475a] by the end of the notice
224 period and has not cancelled the policy, the policyholder will be deemed
225 to have elected to retain the existing policy benefits.

226 (3) Notwithstanding the provisions of subparagraph (A) of
227 subdivision (2) of this subsection, any insurance company, fraternal
228 benefit society, hospital service corporation, medical service corporation
229 or health care center that files a rate filing for an increase in premium
230 rates for a long-term care policy shall not request in such filing an
231 increase in premium rates for such long-term care policy that exceeds
232 the most recent calendar year average in the consumer price index for
233 urban consumers, as published by the United States Department of
234 Labor, Bureau of Labor Statistics, provided the policyholder of such
235 long-term care policy has held such long-term care policy for not less
236 than fifteen years.

237 (c) (1) No such company, society, corporation or center may deliver
238 or issue for delivery any long-term care policy without providing, at the
239 time of solicitation or application for purchase or sale of such coverage,
240 full and fair written disclosure of the benefits and limitations of the
241 policy.

242 (2) (A) The applicant shall sign an acknowledgment at the time of
243 application for such policy that the company, society, corporation or
244 center has provided the written disclosure required under this
245 subsection to the applicant. If the method of application does not allow
246 for such signature at the time of application, the applicant shall sign
247 such acknowledgment not later than at the time of delivery of such

248 policy.

249 (B) Except for a long-term care policy for which no applicable
250 premium rate revision or rate schedule increases can be made or as
251 otherwise provided in subdivision (3) of this subsection, such disclosure
252 shall include:

253 (i) A statement that the policy may be subject to rate increases in the
254 future;

255 (ii) An explanation of potential future premium rate revisions and the
256 policyholder's option in the event of a premium rate revision;

257 (iii) The premium rate or rate schedule applicable to the applicant
258 that will be in effect until such company, society, corporation or center
259 files a request with the commissioner for a revision to such premium
260 rate or rate schedule;

261 (iv) An explanation of how a premium rate or rate schedule revision
262 will be applied that includes a description of when such rate or rate
263 schedule revision will be effective; and

264 (v) Information regarding each premium rate increase, if any, over
265 the past ten years on such policy form or similar policy forms for this
266 state or any other state, that identifies, at a minimum, (I) the policy forms
267 for which premium rates have been increased, (II) the calendar years
268 when each such policy form was available for purchase, and (III) the
269 amount or percentage of each increase. The percentage may be
270 expressed as a percentage of the premium rate prior to the increase or
271 as minimum and maximum percentages if the rate increase is variable
272 by rating characteristics.

273 (C) The company, society, corporation or center may provide, in a fair
274 manner, any additional explanatory information related to a premium
275 rate or rate schedule revision.

276 (3) (A) Any such company, society, corporation or center may
277 exclude from the disclosure required under subparagraph (B) of

278 subdivision (2) of this subsection premium rate increases that only
279 apply to blocks of business or long-term care policies acquired from a
280 nonaffiliated company, society, corporation or center and that occurred
281 prior to the acquisition.

282 (B) If an acquiring company, society, corporation or center files a
283 request for a premium rate increase on or before January 1, 2015, or the
284 end of a twenty-four-month period after the acquisition, whichever is
285 later, for a block of policy forms or long-term care policies acquired from
286 a nonaffiliated company, society, corporation or center, such acquiring
287 company, society, corporation or center may exclude from the
288 disclosure required under subparagraph (B) of subdivision (2) of this
289 subsection such premium rate increase, except that the nonaffiliated
290 company, society, corporation or center selling such block of policy
291 forms or long-term care policies shall include such premium rate
292 increase in such disclosure.

293 (C) If an acquiring company, society, corporation or center under
294 subparagraph (B) of this subdivision files a subsequent request, even
295 within the twenty-four-month period specified in said subparagraph,
296 for a premium rate increase on the same block of policy forms or long-
297 term care policies set forth in said subparagraph, the acquiring
298 company, society, corporation or center shall include in the disclosure
299 required under subparagraph (B) of subdivision (2) of this subsection
300 such premium rate increase and any premium rate increase filed and
301 approved pursuant to subparagraph (B) of this subdivision.

302 (4) If the offering for any long-term care policy includes an option for
303 the elimination period specified in subdivision (1) of subsection (a) of
304 this section, the application form for such policy and the face page of
305 such policy shall contain a clear and conspicuous disclosure that the
306 irrevocable trust may not be sufficient to cover all costs during the
307 elimination period.

308 (d) No such company, society, corporation or center may deliver or
309 issue for delivery any long-term care policy on or after July 1, 2008,

310 without offering, at the time of solicitation or application for purchase
311 or sale of such coverage, an option to purchase a policy that includes a
312 nonforfeiture benefit. Such offer of a nonforfeiture benefit may be in the
313 form of a rider attached to such policy. In the event the nonforfeiture
314 benefit is declined, such company, society, corporation or center shall
315 provide a contingent benefit upon lapse that shall be available for a
316 specified period of time following a substantial increase in premium
317 rates. Not later than July 1, 2008, the commissioner shall adopt
318 regulations, in accordance with chapter 54, to implement the provisions
319 of this subsection. Such regulations shall specify the type of
320 nonforfeiture benefit that may be offered, the standards for such benefit,
321 the period of time during which a contingent benefit upon lapse will be
322 available and the substantial increase in premium rates that trigger a
323 contingent benefit upon lapse in accordance with the Long-Term Care
324 Insurance Model Regulation adopted by the National Association of
325 Insurance Commissioners.

326 (e) The commissioner shall adopt regulations, in accordance with
327 chapter 54, that address (1) the insured's right to information prior to
328 the insured replacing an accident and sickness policy with a long-term
329 care policy, (2) the insured's right to return a long-term care policy to
330 the insurer, within a specified period of time after delivery, for
331 cancellation, and (3) the insured's right to accept by the insured's
332 signature, and prior to it becoming effective, any rider or endorsement
333 added to a long-term care policy after the issuance date of such policy.
334 The commissioner shall adopt such additional regulations as the
335 commissioner deems necessary in accordance with chapter 54 to carry
336 out the purpose of this section.

337 (f) The commissioner may, upon written request by any such
338 company, society, corporation or center, issue an order to modify or
339 suspend a specific provision of this section or any regulation adopted
340 pursuant thereto with respect to a specific long-term care policy upon a
341 written finding that: (1) The modification or suspension would be in the
342 best interest of the insureds; (2) the purposes to be achieved could not
343 be effectively or efficiently achieved without such modification or

344 suspension; and (3) (A) the modification or suspension is necessary to
345 the development of an innovative and reasonable approach for insuring
346 long-term care, (B) the policy is to be issued to residents of a life care or
347 continuing care retirement community or other residential community
348 for the elderly and the modification or suspension is reasonably related
349 to the special needs or nature of such community, or (C) the
350 modification or suspension is necessary to permit long-term care
351 policies to be sold as part of, or in conjunction with, another insurance
352 product. Whenever the commissioner decides not to issue such an order,
353 the commissioner shall provide written notice of such decision to the
354 requesting party in a timely manner.

355 (g) Upon written request by any such company, society, corporation
356 or center, the commissioner may issue an order to extend the preexisting
357 condition exclusion period, as established by regulations adopted
358 pursuant to this section, for purposes of specific age group categories in
359 a specific long-term care policy form whenever the commissioner makes
360 a written finding that such an extension is in the best interest to the
361 public. Whenever the commissioner decides not to issue such an order,
362 the commissioner shall provide written notice of such decision to the
363 requesting party in a timely manner.

364 (h) The provisions of section 38a-19 shall be applicable to any such
365 requesting party aggrieved by any order or decision of the
366 commissioner made pursuant to subsections (f) and (g) of this section.

367 Sec. 7. Section 38a-528 of the general statutes is repealed and the
368 following is substituted in lieu thereof (*Effective January 1, 2026*):

369 (a) (1) As used in this section, [and section 38a-475a,] "long-term care
370 policy" means any group health insurance policy or certificate delivered
371 or issued for delivery to any resident of this state on or after July 1, 1986,
372 that is designed to provide, within the terms and conditions of the policy
373 or certificate, benefits on an expense-incurred, indemnity or prepaid
374 basis for necessary care or treatment of an injury, illness or loss of
375 functional capacity provided by a certified or licensed health care

376 provider in a setting other than an acute care hospital, for at least one
377 year after a reasonable elimination period. A long-term care policy shall
378 provide benefits for confinement in a nursing home or confinement in
379 the insured's own home or both. Any additional benefits provided shall
380 be related to long-term treatment of an injury, illness or loss of
381 functional capacity. "Long-term care policy" does not include any such
382 policy or certificate that is offered primarily to provide basic Medicare
383 supplement coverage, basic medical-surgical expense coverage, hospital
384 confinement indemnity coverage, major medical expense coverage,
385 disability income protection coverage, accident only coverage, specified
386 accident coverage or limited benefit health coverage.

387 (2) (A) Notwithstanding any provision of the general statutes, no
388 insurance company, fraternal benefit society, hospital service
389 corporation, medical service corporation or health care center may
390 deliver, issue for delivery, renew, continue or amend any long-term care
391 policy in this state on or after January 1, 2022, unless the insurance
392 company, fraternal benefit society, hospital service corporation, medical
393 service corporation or health care center is authorized or licensed to sell
394 long-term care insurance and at least one other line of insurance in this
395 state.

396 (B) No insurance company, fraternal benefit society, hospital service
397 corporation, medical service corporation or health care center
398 delivering, issuing for delivery, renewing, continuing or amending any
399 long-term care policy in this state may refuse to accept, or refuse to make
400 reimbursement pursuant to, a claim for benefits submitted by or
401 prepared with the assistance of a managed residential community, as
402 defined in section 19a-693, in accordance with subdivision (7) of
403 subsection (a) of section 19a-694, solely because such claim for benefits
404 was submitted by or prepared with the assistance of a managed
405 residential community.

406 (C) Each insurance company, fraternal benefit society, hospital
407 service corporation, medical service corporation or health care center
408 delivering, issuing for delivery, renewing, continuing or amending any

409 long-term care policy in this state shall, upon receipt of a written
410 authorization executed by the insured, (i) disclose information to a
411 managed residential community for the purpose of determining such
412 insured's eligibility for an insurance benefit or payment, and (ii) provide
413 a copy of the initial acceptance or declination of a claim for benefits to
414 the managed residential community at the same time such acceptance
415 or declination is made to the insured.

416 (b) (1) No insurance company, fraternal benefit society, hospital
417 service corporation, medical service corporation or health care center
418 may deliver or issue for delivery any long-term care policy or certificate
419 that has a loss ratio of less than sixty-five per cent for any group long-
420 term care policy. An issuer shall not use or change premium rates for a
421 long-term care policy or certificate unless the rates have been filed with
422 the commissioner. Deviations in rates to reflect policyholder experience
423 shall be permitted, provided each policy form shall meet the loss ratio
424 requirement of this section. Any rate filings or rate revisions shall
425 demonstrate that anticipated claims in relation to premiums when
426 combined with actual experience to date can be expected to comply with
427 the loss ratio requirement of this section. On an annual basis, an insurer
428 shall submit to the commissioner an actuarial certification of the
429 insurer's continuing compliance with the loss ratio requirement of this
430 section. Any rate or rate revision may be disapproved if the
431 commissioner determines that the loss ratio requirement will not be met
432 over the lifetime of the policy form using reasonable assumptions.

433 (2) (A) [Any] Except as provided in subdivision (3) of this subsection,
434 any insurance company, fraternal benefit society, hospital service
435 corporation, medical service corporation or health care center that files
436 a rate filing for an increase in premium rates for a long-term care policy
437 [that is for twenty per cent or more shall spread the increase over a
438 period of not less than three years and not file a rate filing for] shall not
439 request in such filing an increase in premium rates for [the] such long-
440 term care policy [during the period chosen. Such company, society,
441 corporation or center shall use a periodic rate increase that is actuarially
442 equivalent to a single rate increase and a current interest rate for the

443 period chosen] that exceeds ten per cent.

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

446 (i) Notify its certificate holders of such premium rate increase and
447 make available to such certificate holders the additional choice of
448 reducing the policy benefits to reduce the premium rate, [or electing
449 coverage that reflects the minimum set of affordable benefit options
450 developed by the commissioner pursuant to section 38a-475a.] Such
451 notice shall include a description of such policy benefit reductions, [and
452 minimum set of affordable benefit options.] The premium rates for any
453 benefit reductions shall be based on the new premium rate schedule;

454 (ii) Provide certificate holders not less than thirty calendar days to
455 elect a reduction in policy benefits; [or coverage that reflects the
456 minimum set of affordable benefit options developed by the
457 commissioner pursuant to section 38a-475a;] and

458 (iii) Include a statement in such notice that if a certificate holder fails
459 to elect a reduction in policy benefits [or coverage that reflects the
460 minimum set of affordable benefit options developed by the
461 commissioner pursuant to section 38a-475a] by the end of the notice
462 period and has not cancelled the policy, the certificate holder will be
463 deemed to have elected to retain the existing policy benefits.

464 (3) Notwithstanding the provisions of subparagraph (A) of
465 subdivision (2) of this subsection, any insurance company, fraternal
466 benefit society, hospital service corporation, medical service corporation
467 or health care center that files a rate filing for an increase in premium
468 rates for a long-term care policy shall not request in such filing an
469 increase in premium rates for such long-term care policy that exceeds
470 the most recent calendar year average in the consumer price index for
471 urban consumers, as published by the United States Department of
472 Labor, Bureau of Labor Statistics, provided the certificate holder of such
473 long-term care policy has held such long-term care policy for not less
474 than fifteen years.

475 (c) (1) No such company, society, corporation or center may deliver
476 or issue for delivery any long-term care policy without providing, at the
477 time of solicitation or application for purchase or sale of such coverage,
478 full and fair written disclosure of the benefits and limitations of the
479 policy. The provisions of this subsection shall not be applicable to
480 noncontributory plans.

481 (2) (A) The applicant shall sign an acknowledgment at the time of
482 application for such policy that the company, society, corporation or
483 center has provided the written disclosure required under this
484 subsection to the applicant. If the method of application does not allow
485 for such signature at the time of application, the applicant shall sign
486 such acknowledgment not later than at the time of delivery of such
487 policy.

488 (B) The policyholder shall provide a copy of such disclosure to each
489 eligible individual.

490 (3) (A) Except for a long-term care policy for which no applicable
491 premium rate revision or rate schedule increases can be made or as
492 otherwise provided in subdivision (4) of this subsection, such disclosure
493 shall include:

494 (i) A statement that the policy may be subject to rate increases in the
495 future;

496 (ii) An explanation of potential future premium rate revisions and the
497 policyholder's or certificate holder's option in the event of a premium
498 rate revision;

499 (iii) The premium rate or rate schedule applicable to the applicant
500 that will be in effect until such company, society, corporation or center
501 files a request with the commissioner for a revision to such premium
502 rate or rate schedule;

503 (iv) An explanation of how a premium rate or rate schedule revision
504 will be applied that includes a description of when such rate or rate

505 schedule revision will be effective; and

506 (v) Information regarding each premium rate increase, if any, over
507 the past ten years on such policy form or similar policy forms for this
508 state or any other state, that identifies, at a minimum, (I) the policy forms
509 for which premium rates have been increased, (II) the calendar years
510 when each such policy form was available for purchase, and (III) the
511 amount or percentage of each increase. The percentage may be
512 expressed as a percentage of the premium rate prior to the increase or
513 as minimum and maximum percentages if the rate increase is variable
514 by rating characteristics.

515 (B) The company, society, corporation or center may provide, in a fair
516 manner, any additional explanatory information related to a premium
517 rate or rate schedule revision.

518 (4) (A) Any such company, society, corporation or center may
519 exclude from the disclosure required under subdivision (3) of this
520 subsection premium rate increases that only apply to blocks of business
521 or long-term care policies acquired from a nonaffiliated company,
522 society, corporation or center and that occurred prior to the acquisition.

523 (B) If an acquiring company, society, corporation or center files a
524 request for a premium rate increase on or before January 1, 2015, or the
525 end of a twenty-four-month period after the acquisition, whichever is
526 later, for a block of policy forms or long-term care policies acquired from
527 a nonaffiliated company, society, corporation or center such acquiring
528 company, society, corporation or center may exclude from the
529 disclosure required under subdivision (3) of this subsection such
530 premium rate increase, except that the nonaffiliated company, society,
531 corporation or center selling such block of policy forms or long-term
532 care policies shall include such premium rate increase in such
533 disclosure.

534 (C) If an acquiring company, society, corporation or center under
535 subparagraph (B) of this subdivision files a subsequent request, even
536 within the twenty-four-month period specified in said subparagraph,

537 for a premium rate increase on the same block of policy forms or long-
538 term care policies set forth in said subparagraph, the acquiring
539 company, society, corporation or center shall include in the disclosure
540 required under subdivision (3) of this subsection such premium rate
541 increase and any premium rate increase filed and approved pursuant to
542 subparagraph (B) of this subdivision.

543 (d) The commissioner shall adopt regulations, in accordance with
544 chapter 54, that address (1) the insured's right to information prior to his
545 replacing an accident and sickness policy with a long-term care policy,
546 (2) the insured's right to return a long-term care policy to the insurer,
547 within a specified period of time after delivery, for cancellation, and (3)
548 the insured's right to accept by the insured's signature, and prior to it
549 becoming effective, any rider or endorsement added to a long-term care
550 policy after the issuance date of such policy, provided (A) any
551 regulations adopted pursuant to subdivisions (1) and (2) of this
552 subsection shall not be applicable to (i) any long-term care policy that is
553 delivered or issued for delivery to one or more employers or labor
554 organizations, or to a trust or to the trustees of a fund established by one
555 or more employers or labor organizations, or a combination thereof or
556 for members or former members or a combination thereof, of the labor
557 organizations, or (ii) noncontributory plans, and (B) any regulations
558 adopted pursuant to subdivision (3) of this subsection shall not be
559 applicable to any group long-term care policy. The commissioner shall
560 adopt such additional regulations as the commissioner deems necessary
561 in accordance with said chapter 54 to carry out the purpose of this
562 section.

563 (e) The commissioner may, upon written request by any such
564 company, society, corporation or center, issue an order to modify or
565 suspend a specific provision of this section or any regulation adopted
566 pursuant thereto with respect to a specific long-term care policy upon a
567 written finding that: (1) The modification or suspension would be in the
568 best interest of the insureds; (2) the purposes to be achieved could not
569 be effectively or efficiently achieved without such modification or
570 suspension; and (3) (A) the modification or suspension is necessary to

571 the development of an innovative and reasonable approach for insuring
 572 long-term care, (B) the policy is to be issued to residents of a life care or
 573 continuing care retirement community or other residential community
 574 for the elderly and the modification or suspension is reasonably related
 575 to the special needs or nature of such community, or (C) the
 576 modification or suspension is necessary to permit long-term care
 577 policies to be sold as part of, or in conjunction with, another insurance
 578 product. Whenever the commissioner decides not to issue such an order,
 579 the commissioner shall provide written notice of such decision to the
 580 requesting party in a timely manner.

581 (f) Upon written request by any such company, society, corporation
 582 or center, the commissioner may issue an order to extend the preexisting
 583 condition exclusion period, as established by regulations adopted
 584 pursuant to this section, for purposes of specific age group categories in
 585 a specific long-term care policy form whenever [he] the commissioner
 586 makes a written finding that such an extension is in the best interest to
 587 the public. Whenever the commissioner decides not to issue such an
 588 order, the commissioner shall provide written notice of such decision to
 589 the requesting party in a timely manner.

590 (g) The provisions of section 38a-19 shall be applicable to any such
 591 requesting party aggrieved by any order or decision of the
 592 commissioner made pursuant to subsections (e) and (f) of this section.

593 Sec. 8. Section 38a-475a of the general statutes is repealed. (*Effective*
 594 *January 1, 2026*)

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>	38a-458
Sec. 3	<i>January 1, 2026</i>	38a-430(a)
Sec. 4	<i>January 1, 2026, and applicable to taxable years commencing on or after January 1, 2026</i>	New section

Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>January 1, 2026</i>	38a-501
Sec. 7	<i>January 1, 2026</i>	38a-528
Sec. 8	<i>January 1, 2026</i>	Repealer section

INS *Joint Favorable Subst.*