
OLR Bill Analysis

SB 1253

AN ACT REDUCING INSURANCE RATE PREMIUM REQUESTS.

SUMMARY

This bill allows the insurance commissioner to reduce a health carrier's individual or small employer group health insurance rate request by up to two percentage points if the carrier's average approved premium rate increase exceeded the state's health care cost growth benchmark in each of the previous two plan years. This reduction is in addition to any other rate reduction allowed by law.

Existing law requires health carriers to file premium rates for individual and small group employer health insurance policies with the Insurance Department, which must review the rate requests to ensure they are not excessive, inadequate, or unfairly discriminatory. "Small employer" groups are those covering up to 50 employees.

By law, the Office of Health Strategy (OHS) develops the health care cost growth benchmark. OHS set Connecticut's benchmark with a growth target of 3.4% for 2021; 3.2% for 2022; and 2.9% for 2023, 2024, and 2025. OHS subsequently adjusted the 2024 benchmark for inflation, setting it at 4.0%. (The office is in the process of setting the benchmark for the next five years.)

EFFECTIVE DATE: January 1, 2026

BACKGROUND

Related Bill

sSB 10, favorably reported by the Insurance and Real Estate Committee, revises the rate review process for health insurance policies. Currently, rates cannot be excessive, inadequate, or unfairly discriminatory. sSB 10 (§§ 10-16) also prohibits rates from being unaffordable.

COMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 11 Nay 2 (03/11/2025)