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## **OLR Bill Analysis**

### **SB 1278**

#### ***AN ACT CONCERNING LONG-TERM CARE INSURANCE PREMIUM RATES.***

#### **SUMMARY**

This bill creates a personal income tax deduction for long-term care (LTC) insurance premiums. It allows taxpayers to reduce their Connecticut adjusted gross income by the amount of any LTC insurance premiums they paid in the taxable year.

Under the bill, eligible premiums are those for individual or group LTC insurance policies that provide benefits for treating an injury, illness, or loss of functional capacity in a setting other than an acute care hospital (e.g., a nursing home or an insured's home). An LTC policy does not include a policy that primarily provides Medicare supplemental coverage, disability income protection coverage, or major medical coverage, among other exclusions.

The bill also requires LTC insurers (i.e. insurers, HMOs, fraternal benefit societies, and hospital or medical service corporations), before implementing a premium rate increase of more than 10%, to hold a public hearing and notify policyholders about the hearing date and time at least 14 days in advance.

**EFFECTIVE DATE:** Upon passage and applicable to taxable years beginning on or after January 1, 2025, for the tax deduction and July 1, 2025, for the public hearing requirement.

#### **BACKGROUND**

##### ***Related Bill***

sSB 1269, favorably reported by the Insurance and Real Estate Committee, creates a personal income tax credit for certain taxpayers who make premium payments on LTC insurance policies. The credit

equals 20% of LTC premiums paid in the tax year by an eligible taxpayer who is insured under the policy.

**COMMITTEE ACTION**

Aging Committee

Joint Favorable Change of Reference - INS  
Yea 13 Nay 0 (03/04/2025)

Insurance and Real Estate Committee

Joint Favorable  
Yea 13 Nay 0 (03/11/2025)