



General Assembly

**Amendment**

January Session, 2025

LCO No. 9438



Offered by:

SEN. LESSER, 9<sup>th</sup> Dist.

SEN. CABRERA, 17<sup>th</sup> Dist.

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To: Senate Bill No. 1420

File No. 381

Cal. No. 232

**"AN ACT CONCERNING THE CONNECTICUT PARTNERSHIP FOR  
LONG-TERM CARE."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Section 38a-475 of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective July 1, 2025*):

5 The Insurance Department shall only precertify long-term care  
6 insurance policies that (1) alert the purchaser to the availability of  
7 consumer information and public education provided by the  
8 [Department of Aging and Disability Services] Office of Policy and  
9 Management pursuant to section 17a-861; (2) offer the option of home  
10 and community-based services in addition to nursing home care; (3) in  
11 all home care plans, include case management services delivered by an  
12 access agency approved by the Office of Policy and Management and  
13 the Department of Social Services as meeting the requirements for such

14 agency as defined in regulations adopted pursuant to subsection (m) of  
15 section 17b-342, which services shall include, but need not be limited to,  
16 the development of a comprehensive individualized assessment and  
17 care plan and, as needed, the coordination of appropriate services and  
18 the monitoring of the delivery of such services; (4) provide inflation  
19 protection; (5) provide for the keeping of records and an explanation of  
20 benefit reports on insurance payments which count toward Medicaid  
21 resource exclusion; and (6) provide the management information and  
22 reports necessary to document the extent of Medicaid resource  
23 protection offered and to evaluate the Connecticut Partnership for  
24 Long-Term Care. No policy shall be precertified if it requires prior  
25 hospitalization or a prior stay in a nursing home as a condition of  
26 providing benefits. The commissioner may adopt regulations, in  
27 accordance with chapter 54, to carry out the precertification provisions  
28 of this section.

29 Sec. 2. Subsection (b) of section 38a-501 of the general statutes is  
30 repealed and the following is substituted in lieu thereof (*Effective January*  
31 *1, 2026*):

32 (b) (1) No insurance company, fraternal benefit society, hospital  
33 service corporation, medical service corporation or health care center  
34 may deliver or issue for delivery any long-term care policy that has a  
35 loss ratio of less than sixty per cent for any individual long-term care  
36 policy. An issuer shall not use or change premium rates for a long-term  
37 care policy unless the rates have been filed with and approved by the  
38 commissioner. Any rate filings or rate revisions shall demonstrate that  
39 anticipated claims in relation to premiums when combined with actual  
40 experience to date can be expected to comply with the loss ratio  
41 requirement of this section. A rate filing shall include the factors and  
42 methodology used to estimate irrevocable trust values if the policy  
43 includes an option for the elimination period specified in subdivision  
44 (1) of subsection (a) of this section. Any rate increase request shall  
45 include in its loss ratio calculation methodology the following factors at  
46 a minimum: (A) Anticipated claims in relation to premiums when

47 combined with actual experience to date; (B) the premium that would  
48 have been in effect at the time of issue had the market factors at the time  
49 of the rate increase filing been known; and (C) the cost share burden that  
50 must be absorbed by the insurer in accordance with state regulations for  
51 individual long-term care policies developed in accordance with this  
52 subdivision. Such regulations shall ensure the insurer's cost-sharing  
53 responsibility increases in relation to the level of cumulative premium  
54 rate increases already experienced on the policy forms included in the  
55 rate filing. The Insurance Commissioner shall adopt regulations in  
56 accordance with chapter 54 to implement the provisions of this  
57 subdivision and subdivision (2) of this subsection. Such regulations  
58 shall prescribe standards to ensure that rate increases shall not be  
59 excessive, inadequate or unfairly discriminatory. The commissioner  
60 shall not approve any rate increase that fails to comply with such  
61 standards.

62 (2) An issuer shall file an annual report, not later than May first, with  
63 the Insurance Commissioner on incurred losses and actual paid losses  
64 for each long-term care policy issued in the state. The Insurance  
65 Commissioner, in consultation with the Secretary of the Office of Policy  
66 and Management, shall, not later than October 1, 2026, and annually  
67 thereafter, file a report, in accordance with the provisions of section 11-  
68 4a, with the joint standing committees of the General Assembly having  
69 cognizance of matters relating to aging, human services and insurance  
70 and real estate on the incurred loss and actual paid loss for each long-  
71 term care policy in the past three calendar years. Such report shall state  
72 which policies have been precertified pursuant to section 38a-475, as  
73 amended by this act. The Insurance Department shall include a link to  
74 the report on the Insurance Department's Internet web site, and the  
75 Secretary of the Office of Policy and Management shall include a link to  
76 the report on the Internet web site of the Office of Policy and  
77 Management.

78 (3) Not later than July 1, 2026, the Insurance Commissioner, in  
79 consultation with the Secretary of the Office of Policy and Management,

80 shall file a report, in accordance with the provisions of section 11-4a,  
81 with the joint standing committees of the General Assembly having  
82 cognizance of matters relating to aging, human services and insurance  
83 and real estate on the feasibility and effect on (A) access to long-term  
84 care insurance of a requirement that issuers of long-term care insurance  
85 policies provide policyholders an opportunity to cancel such insurance  
86 and obtain full refunds of any premiums paid since the start of the  
87 policies whenever such issuer files for rate increases that exceed the rate  
88 of inflation; and (B) access to long term care insurance and the level of  
89 rate increases that can be approved by the Insurance Commissioner if  
90 any insurance company, fraternal benefit society, hospital service  
91 corporation, medical service corporation or health care center is  
92 required to include, as part of any long-term care policy rate increase  
93 request, details of any and all reinsurance contracts associated with the  
94 policy at issue, including, but not limited to, participation percentage of  
95 each reinsurer, by date of contract.

96     ~~[(2)]~~ (4) (A) Any insurance company, fraternal benefit society,  
97 hospital service corporation, medical service corporation or health care  
98 center that files a rate filing for an increase in premium rates for a long-  
99 term care policy that is for twenty per cent or more shall spread the  
100 increase over a period of not less than three years and not file a rate filing  
101 for an increase in premium rates for the long-term care policy during  
102 the period chosen. Such company, society, corporation or center shall  
103 use a periodic rate increase that is actuarially equivalent to a single rate  
104 increase and a current interest rate for the period chosen.

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

107     (i) Notify its policyholders of such premium rate increase and make  
108 available to such policyholders the additional choice of reducing the  
109 policy benefits to reduce the premium rate or electing coverage that  
110 reflects the minimum set of affordable benefit options developed by the  
111 commissioner pursuant to section 38a-475a. Such notice shall include a  
112 description of such policy benefit reductions and minimum set of

113 affordable benefit options. The premium rates for any benefit reductions  
114 shall be based on the new premium rate schedule;

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

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

125 Sec. 3. Subsection (b) of section 38a-528 of the general statutes is  
126 repealed and the following is substituted in lieu thereof (*Effective January*  
127 *1, 2026*):

128 (b) (1) No insurance company, fraternal benefit society, hospital  
129 service corporation, medical service corporation or health care center  
130 may deliver or issue for delivery any long-term care policy or certificate  
131 that has a loss ratio of less than sixty-five per cent for any group long-  
132 term care policy. An issuer shall not use or change premium rates for a  
133 long-term care policy or certificate unless the rates have been filed with  
134 the commissioner. Deviations in rates to reflect policyholder experience  
135 shall be permitted, provided each policy form shall meet the loss ratio  
136 requirement of this section. Any rate filings or rate revisions shall  
137 demonstrate that anticipated claims in relation to premiums when  
138 combined with actual experience to date can be expected to comply with  
139 the loss ratio requirement of this section. On an annual basis, an insurer  
140 shall submit to the commissioner an actuarial certification of the  
141 insurer's continuing compliance with the loss ratio requirement of this  
142 section. Any rate or rate revision may be disapproved if the  
143 commissioner determines that the loss ratio requirement will not be met  
144 over the lifetime of the policy form using reasonable assumptions. Any

145 rate increase request shall include in its loss ratio calculation  
146 methodology the following factors at a minimum: (A) Anticipated  
147 claims in relation to premiums when combined with actual experience  
148 to date; (B) the premium that would have been in effect at the time of  
149 issue had the market factors at the time of the rate increase filing been  
150 known; and (C) the cost share burden that must be absorbed by the  
151 insurer in accordance with state regulations for individual long-term  
152 care policies developed in accordance with this subdivision. Such  
153 regulations shall ensure the insurer's cost-sharing responsibility  
154 increases in relation to the level of cumulative premium rate increases  
155 already experienced on the policy forms included in the rate filing. The  
156 Insurance Commissioner shall adopt regulations in accordance with  
157 chapter 54 to implement the provisions of this subdivision and  
158 subdivision (2) of this subsection. Such regulations shall prescribe  
159 standards to ensure that rate increases shall not be excessive, inadequate  
160 or unfairly discriminatory. The commissioner shall not approve any rate  
161 increase that fails to comply with such standards.

162 (2) An issuer shall file an annual report, not later than May first, with  
163 the Insurance Commissioner on incurred losses and actual paid losses  
164 for each long-term care policy issued in the state. The Insurance  
165 Commissioner, in consultation with the Secretary of the Office of Policy  
166 and Management, shall, not later than October 1, 2026, and annually  
167 thereafter, file a report, in accordance with the provisions of section 11-  
168 4a, with the joint standing committees of the General Assembly having  
169 cognizance of matters relating to aging, human services and insurance  
170 and real estate on the incurred loss and actual paid loss for each long-  
171 term care policy in the past three calendar years. Such report shall state  
172 which policies have been pre-certified pursuant to section 38a-475, as  
173 amended by this act. The Insurance Department shall include a link to  
174 the report on the Insurance Department's Internet web site, and the  
175 Secretary of the Office of Policy and Management shall include a link to  
176 the report on the Internet web site of the Office of Policy and  
177 Management.

178       (3) Not later than July 1, 2026, the Insurance Commissioner, in  
179 consultation with the Secretary of the Office of Policy and Management,  
180 shall file a report, in accordance with the provisions of section 11-4a,  
181 with the joint standing committees of the General Assembly having  
182 cognizance of matters relating to aging, human services and insurance  
183 and real estate on the feasibility and effect on (A) access to long-term  
184 care insurance of a requirement that issuers of long-term care insurance  
185 policies provide policyholders an opportunity to cancel such insurance  
186 and obtain full refunds of any premiums paid since the start of the  
187 policies whenever such issuer files for rate increases that exceed the rate  
188 of inflation; and (B) access to long-term care insurance and the level of  
189 rate increases that can be approved by the Insurance Commissioner if  
190 any insurance company, fraternal benefit society, hospital service  
191 corporation, medical service corporation or health care center is  
192 required to include, as part of any long-term care policy rate increase  
193 request, details of any and all reinsurance contracts associated with the  
194 policy at issue, including, but not limited to, participation percentage of  
195 each reinsurer, by date of contract.

196       [(2)] (4) (A) Any insurance company, fraternal benefit society,  
197 hospital service corporation, medical service corporation or health care  
198 center that files a rate filing for an increase in premium rates for a long-  
199 term care policy that is for twenty per cent or more shall spread the  
200 increase over a period of not less than three years and not file a rate filing  
201 for an increase in premium rates for the long-term care policy during  
202 the period chosen. Such company, society, corporation or center shall  
203 use a periodic rate increase that is actuarially equivalent to a single rate  
204 increase and a current interest rate for the period chosen.

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

207       (i) Notify its certificate holders of such premium rate increase and  
208 make available to such certificate holders the additional choice of  
209 reducing the policy benefits to reduce the premium rate or electing  
210 coverage that reflects the minimum set of affordable benefit options

211 developed by the commissioner pursuant to section 38a-475a. Such  
212 notice shall include a description of such policy benefit reductions and  
213 minimum set of affordable benefit options. The premium rates for any  
214 benefit reductions shall be based on the new premium rate schedule;

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

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

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2025</i>	38a-475
Sec. 2	<i>January 1, 2026</i>	38a-501(b)
Sec. 3	<i>January 1, 2026</i>	38a-528(b)