



General Assembly

Amendment

January Session, 2025

LCO No. 10415



Offered by:

SEN. CABRERA, 17th Dist.

REP. WOOD K., 29th Dist.

SEN. HWANG, 28th Dist.

REP. PAVALOCK-D'AMATO, 77th Dist.

SEN. LESSER, 9th Dist.

REP. GILCHREST, 18th Dist.

SEN. HOCHADEL, 13th Dist.

REP. GARIBAY, 60th Dist.

REP. DATHAN, 142nd Dist.

REP. BLUMENTHAL, 147th Dist.

SEN. ANWAR, 3rd Dist.

To: Subst. Senate Bill No. 1269

File No. 283

Cal. No. 184

"AN ACT CONCERNING LONG-TERM CARE INSURANCE."

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 Section 38a-475 of the general statutes is repealed and the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30 repealed and the following is substituted in lieu thereof (*Effective January*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.

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

71 (3) Not later than July 1, 2026, the Insurance Commissioner, in
72 consultation with the Secretary of the Office of Policy and Management,
73 shall file a report, in accordance with the provisions of section 11-4a and
74 within available appropriations, with the joint standing committees of
75 the General Assembly having cognizance of matters relating to aging,
76 human services and insurance on the feasibility and effect on (A) access
77 to long-term care insurance of a requirement that issuers of long-term

78 care insurance policies provide policyholders an opportunity to cancel
79 such insurance and obtain full refunds of any premiums paid since the
80 start of the policies whenever such issuer files for rate increases that
81 exceed the rate of inflation; and (B) access to long-term care insurance
82 and the level of rate increases that can be approved by the Insurance
83 Commissioner if any insurance company, fraternal benefit society,
84 hospital service corporation, medical service corporation or health care
85 center is required to include, as part of any long-term care policy rate
86 increase request, details of any and all reinsurance contracts associated
87 with the policy at issue, including, but not limited to, participation
88 percentage of each reinsurer, by date of contract.

89 [(2)] (4) (A) Any insurance company, fraternal benefit society,
90 hospital service corporation, medical service corporation or health care
91 center that files a rate filing for an increase in premium rates for a long-
92 term care policy that is for twenty per cent or more shall spread the
93 increase over a period of not less than three years and not file a rate filing
94 for an increase in premium rates for the long-term care policy during
95 the period chosen. Such company, society, corporation or center shall
96 use a periodic rate increase that is actuarially equivalent to a single rate
97 increase and a current interest rate for the period chosen.

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

100 (i) Notify its policyholders of such premium rate increase and make
101 available to such policyholders the additional choice of reducing the
102 policy benefits to reduce the premium rate or electing coverage that
103 reflects the minimum set of affordable benefit options developed by the
104 commissioner pursuant to section 38a-475a. Such notice shall include a
105 description of such policy benefit reductions and minimum set of
106 affordable benefit options. The premium rates for any benefit reductions
107 shall be based on the new premium rate schedule;

108 (ii) Provide policyholders not less than thirty calendar days to elect a
109 reduction in policy benefits or coverage that reflects the minimum set of

110 affordable benefit options developed by the commissioner pursuant to
111 section 38a-475a; and

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

118 Sec. 3. Subsection (b) of section 38a-528 of the general statutes is
119 repealed and the following is substituted in lieu thereof (*Effective January*
120 *1, 2026*):

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

143 known; and (C) the cost share burden that must be absorbed by the
144 insurer in accordance with state regulations for group long-term care
145 policies developed in accordance with this subdivision. Such
146 regulations shall ensure the insurer's cost-sharing responsibility
147 increases in relation to the level of cumulative premium rate increases
148 already experienced on the policy forms included in the rate filing.

149 (2) An issuer shall file an annual report, not later than May first, with
150 the Insurance Commissioner on incurred losses and actual paid losses
151 for each long-term care policy issued in the state. The Insurance
152 Commissioner, in consultation with the Secretary of the Office of Policy
153 and Management, shall, not later than October 1, 2026, and annually
154 thereafter, file a report, in accordance with the provisions of section 11-
155 4a, with the joint standing committees of the General Assembly having
156 cognizance of matters relating to aging, human services and insurance
157 on the incurred loss and actual paid loss for each long-term care policy
158 in the past three calendar years. Such report shall state which policies
159 have been precertified pursuant to section 38a-475, as amended by this
160 act. The Insurance Department shall include a link to the report on the
161 Insurance Department's Internet web site, and the Secretary of the Office
162 of Policy and Management shall include a link to the report on the
163 Internet web site of the Office of Policy and Management.

164 ~~[(2)]~~ (3) (A) Any insurance company, fraternal benefit society,
165 hospital service corporation, medical service corporation or health care
166 center that files a rate filing for an increase in premium rates for a long-
167 term care policy that is for twenty per cent or more shall spread the
168 increase over a period of not less than three years and not file a rate filing
169 for an increase in premium rates for the long-term care policy during
170 the period chosen. Such company, society, corporation or center shall
171 use a periodic rate increase that is actuarially equivalent to a single rate
172 increase and a current interest rate for the period chosen.

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

175 (i) Notify its certificate holders of such premium rate increase and
176 make available to such certificate holders the additional choice of
177 reducing the policy benefits to reduce the premium rate or electing
178 coverage that reflects the minimum set of affordable benefit options
179 developed by the commissioner pursuant to section 38a-475a. Such
180 notice shall include a description of such policy benefit reductions and
181 minimum set of affordable benefit options. The premium rates for any
182 benefit reductions shall be based on the new premium rate schedule;

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

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

193 Sec. 4. (*Effective from passage*) (a) Not later than July 1, 2025, the
194 chairpersons of the joint standing committee of the General Assembly
195 having cognizance of matters relating to insurance, or their designees,
196 shall convene a working group to study and make recommendations for
197 legislation related to implementing a tax credit for policyholders of
198 long-term care insurance policies.

199 (b) The working group convened pursuant to subsection (a) of this
200 section shall consist of the chairpersons and ranking members of the
201 joint standing committees of the General Assembly having cognizance
202 of matters relating to insurance, finance, revenue and bonding and
203 aging, or their designees.

204 (c) All initial appointments to the working group shall be made not
205 later than thirty days after the effective date of this section. Any vacancy

206 shall be filled by the appointing authority.

207 (d) Working group members shall be appointed by the chairpersons
208 of the joint standing committee of the General Assembly having
209 cognizance of matters relating to insurance. The administrative staff of
210 the joint standing committee of the General Assembly having
211 cognizance of matters relating to insurance shall serve as administrative
212 staff of the working group.

213 (e) Not later than February 1, 2026, the working group shall submit a
214 report on its findings and legislative recommendations to the joint
215 standing committee of General Assembly having cognizance of matters
216 relating to insurance, in accordance with the provisions of section 11-4a
217 of the general statutes. The working group shall terminate on the date
218 the working group submits such report or February 1, 2026, whichever
219 is later."

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)
Sec. 4	<i>from passage</i>	New section

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)
Sec. 4	<i>from passage</i>	New section