
OLR Bill Analysis

sSB 478

AN ACT CONCERNING CONSUMER SAFEGUARDS FOR LONG-TERM CARE POLICIES.

SUMMARY

This bill restricts rate increases for long-term care (LTC) insurance policies under the Connecticut Partnership for Long-Term Care (see BACKGROUND) by prohibiting the Connecticut Insurance Department (CID) commissioner from approving a rate increase greater than the average increase approved when the policy was precertified. It also prohibits partnership policies from tying executive compensation to the state's approval of higher rates for policy holders.

It also requires the Office of Policy and Management (OPM) secretary to report annually, starting January 15, 2027, to the Aging, Human Services, and Insurance and Real Estate committees on losses (both incurred and actually paid) for each partnership policy in the past three calendar years. OPM and CID must post the report on their respective websites.

The bill also sets new requirements for all LTC insurance policies sold in the state by requiring LTC insurers to (1) include in their rate filings details on any reinsurance contracts associated with the policy and (2) annually report to the insurance commissioner, by January 15, incurred losses and actual paid losses for each policy sold in the state.

It also requires the OPM secretary to report to the Aging, Human Services, and Insurance and Real Estate committees by October 1, 2026, on the feasibility of requiring LTC insurers to allow policyholders to cancel their insurance and get a refund for all premiums they paid since the start of the policy whenever the insurer files for a rate increase that exceeds the inflation rate. The report must also address how doing so would affect access to LTC insurance.

Finally, the bill authorizes the attorney general to investigate, intervene in, or bring civil or administrative action against a LTC insurer who violates state LTC insurance laws.

EFFECTIVE DATE: July 1, 2026

LTC INSURANCE POLICY RATE INCREASES

Existing law requires LTC insurers (insurance companies, HMOs, fraternal benefit societies, and hospital and medical service corporations) to maintain a minimum loss ratio (currently 60% for individual policies and 65% for group policies) and file rate increases with CID before implementing them. The insurance commissioner may disapprove a rate filing if he determines the loss ratio requirement will not be met. The bill requires LTC insurers to include with this filing details on all reinsurance contracts associated with the policy, including each reinsurer's participation percentage, by date of contract.

ATTORNEY GENERAL ENFORCEMENT POWERS

The bill allows the attorney general to investigate, intervene in, or bring civil or administrative action against a LTC insurer who violates state LTC insurance laws.

When investigating, the bill authorizes the attorney general to issue subpoenas and interrogatories, and otherwise gather information, in the same way and to the same extent as provided under the Connecticut Antitrust Act.

Upon finding a violation, the attorney general may bring a civil action in Superior Court in the Hartford judicial district against the insurer. Before doing so, he may allow the insurer to submit a correction plan for his approval.

When the attorney general reasonably believes a violation occurred, he may apply to the Superior Court in the Hartford judicial district for an order to temporarily or permanently restrain or enjoin the issuer's actions and may seek any appropriate equitable relief or damages. Under the bill, the attorney general is not required to prove public interest or injury when bringing these actions. The Superior Court may

award relief as it deems appropriate, including attorney's fees and accounting.

If the court finds that an insurer willfully violated these laws, the attorney general may petition the court to recover a civil penalty of up to \$5,000 per violation. Under the bill, "willful violation" means that an issuer knew or should have know that their conduct was violating state LTC insurance laws.

BACKGROUND

Connecticut Partnership for Long-Term Care

The Connecticut Partnership for Long-Term Care is a program through which the insurance commissioner pre-certifies LTC policies that meet certain requirements. Among other things, these plans allow partnership policy holders to earn dollar for dollar Medicaid asset protection so that, should they ever need to enroll in the Medicaid program, DSS will disregard their assets in an amount equal to what the partnership policy paid for their care.

COMMITTEE ACTION

Human Services Committee

Joint Favorable

Yea 23 Nay 0 (03/19/2026)