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## **OLR Bill Analysis**

**sSB 478 (File 370, as amended by Senate "A")\***

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

#### **SUMMARY**

This bill makes various changes affecting long-term care (LTC) insurers, including (1) establishing new annual reporting requirements for insurers and the Connecticut Insurance Department (CID) on LTC policy losses, (2) allowing the insurance commissioner to report on the feasibility and effect of certain insurer requirements on LTC insurance access, and (3) authorizing the insurance commissioner to investigate and take disciplinary action against an LTC insurer who violates state LTC insurance laws.

EFFECTIVE DATE: July 1, 2026

\*Senate Amendment "A" replaces the underlying bill (File 370) and eliminates provisions (1) restricting Connecticut Partnership for LTC plan rate increases, (2) prohibiting partnership plans from tying executive compensation to the state's approval of higher rates, and (3) requiring insurers to include aggregated and de-identified information on certain reinsurance contracts in their rate filings. It also (1) requires the insurance commissioner, instead of the attorney general, to enforce violations of the bill's requirements and (2) allows, instead of requires, the insurance commissioner to report to the legislature on certain LTC policy options.

#### **INSURER AND AGENCY REPORTING REQUIREMENTS**

The bill requires LTC insurers to annually report to the insurance commissioner, by May 1, on each individual and group policy's losses (both incurred and actually paid). The commissioner must then annually report to the Aging, Human Services, and Insurance and Real Estate committees aggregated and de-identifiable data on these losses

over the past three calendar years, noting which policies were pre-certified under the Connecticut Partnership for LTC.

The commissioner must do this starting by October 1, 2027, and in consultation with the Office of Policy and Management (OPM) secretary. OPM and CID must post the reports on their respective websites.

Additionally, the bill allows the insurance commissioner, in consultation with the OPM secretary, to report to the Aging, Human Services, and Insurance and Real Estate committees by July 1, 2027, on the feasibility and effect on access to LTC insurance of the following:

1. 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;
2. the level of rate increases the commissioner may approve; and
3. information on Connecticut's reinsurance market, including any recent impacts the market has had on the availability and cost of long-term care insurance policies and the economic impact to the state.

Under the bill, the report's data must be aggregated and deidentified.

### **INSURANCE COMMISSIONER INVESTIGATION POWERS**

The bill allows the insurance commissioner to investigate LTC insurers that he reasonably believes are violating the state's LTC insurance laws. After investigating, if he finds a violation occurred, he may, after holding a hearing, take disciplinary action against the insurer, including ordering a corrective action plan, imposing administrative remedies, or issuing a penalty of up to \$15,000.

Under the bill, the commissioner may allow the insurer to submit a correction plan for approval at any time before the hearing ends.

The bill also authorizes the commissioner to refer any suspected

violations to the Attorney General to consider any further available remedies.

**BACKGROUND**

***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.

Prior to implementing a rate increase, insurers must (1) notify policyholders and give them 30 days to reduce their benefits (thus lowering their premium) if they so choose. Insurers must also notify policyholders that they will be deemed to have accepted the new rate unless they reduce their benefits or cancel the policy within 30 days.

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable  
Yea 23    Nay 0    (03/19/2026)