



Senate

General Assembly

File No. 370

February Session, 2026

Substitute Senate Bill No. 478

Senate, April 2, 2026

The Committee on Human Services reported through SEN. LESSER of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

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

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17a-861 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2026*):

3 (a) The Office of Policy and Management shall establish an outreach
4 program to educate consumers as to: (1) The need for long-term care; (2)
5 mechanisms for financing such care; (3) the availability of long-term
6 care insurance; and (4) the asset protection provided under sections 17b-
7 252 to 17b-254, inclusive, and 38a-475, as amended by this act. The Office
8 of Policy and Management shall provide public information to assist
9 individuals in choosing appropriate insurance coverage.

10 (b) The Secretary of the Office of Policy and Management, in
11 consultation with the Insurance Commissioner, shall, not later than
12 January 15, 2027, and annually thereafter, file a report, in accordance
13 with the provisions of section 11-4a, with the joint standing committees

14 of the General Assembly having cognizance of matters relating to aging,
15 human services and insurance and real estate on the incurred loss and
16 actual paid loss for each long-term care policy precertified pursuant to
17 section 38a-475, as amended by this act, in the past three calendar years.
18 The secretary shall include a link to the report on the Internet web site
19 of the Office of Policy and Management and the Insurance Department
20 shall include a link to the report on the Insurance Department's Internet
21 web site.

22 (c) Not later than October 1, 2026, the Secretary of the Office of Policy
23 and Management shall file a report, in accordance with the provisions
24 of section 11-4a, with the joint standing committees of the General
25 Assembly having cognizance of matters relating to aging, human
26 services and insurance and real estate on the feasibility and effect on
27 access to long-term care insurance of a requirement that issuers of long-
28 term care insurance policies provide policyholders an opportunity to
29 cancel such insurance and obtain full refunds of any premiums paid
30 since the start of the policies whenever such issuer files for rate increases
31 that exceed the rate of inflation.

32 Sec. 2. Section 38a-475 of the general statutes is repealed and the
33 following is substituted in lieu thereof (*Effective July 1, 2026*):

34 The Insurance Department shall only precertify long-term care
35 insurance policies that (1) alert the purchaser to the availability of
36 consumer information and public education provided by the
37 Department of Aging and Disability Services pursuant to section 17a-
38 861, as amended by this act; (2) offer the option of home and
39 community-based services in addition to nursing home care; (3) in all
40 home care plans, include case management services delivered by an
41 access agency approved by the Office of Policy and Management and
42 the Department of Social Services as meeting the requirements for such
43 agency as defined in regulations adopted pursuant to subsection (m) of
44 section 17b-342, which services shall include, but need not be limited to,
45 the development of a comprehensive individualized assessment and
46 care plan and, as needed, the coordination of appropriate services and

47 the monitoring of the delivery of such services; (4) provide inflation
48 protection; (5) provide for the keeping of records and an explanation of
49 benefit reports on insurance payments which count toward Medicaid
50 resource exclusion; [and] (6) do not tie executive compensation to
51 approval of higher rates for policyholders; and (7) provide the
52 management information and reports necessary to document the extent
53 of Medicaid resource protection offered and to evaluate the Connecticut
54 Partnership for Long-Term Care. No policy shall be precertified if it
55 requires prior hospitalization or a prior stay in a nursing home as a
56 condition of providing benefits. The commissioner may adopt
57 regulations, in accordance with chapter 54, to carry out the
58 precertification provisions of this section.

59 Sec. 3. Subsection (b) of section 38a-501 of the general statutes is
60 repealed and the following is substituted in lieu thereof (*Effective July 1,*
61 *2026*):

62 (b) (1) No insurance company, fraternal benefit society, hospital
63 service corporation, medical service corporation or health care center
64 may deliver or issue for delivery any long-term care policy that has a
65 loss ratio of less than sixty per cent for any individual long-term care
66 policy. An issuer shall file an annual report, not later than January
67 fifteenth, with the Insurance Commissioner on incurred losses and
68 actual paid losses for each long-term care policy issued in the state. An
69 issuer shall not use or change premium rates for a long-term care policy
70 unless the rates have been filed with and approved by the
71 commissioner. For a policy precertified in accordance with section 38a-
72 475, as amended by this act, the Insurance Commissioner shall not
73 approve any rate increase greater than the average rate increase for such
74 policies at the time such policy was precertified. Any rate filings or rate
75 revisions shall demonstrate that anticipated claims in relation to
76 premiums when combined with actual experience to date can be
77 expected to comply with the loss ratio requirement of this section. An
78 insurance company, fraternal benefit society, hospital service
79 corporation, medical service corporation or health care center shall, as
80 part of any long-term care policy rate increase request, provide details

81 of any and all reinsurance contracts associated with the policy at issue,
82 including, but not limited to, participation percentage of each reinsurer,
83 by date of contract. A rate filing shall include the factors and
84 methodology used to estimate irrevocable trust values if the policy
85 includes an option for the elimination period specified in subdivision
86 (1) of subsection (a) of this section.

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

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

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

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

110 (iii) Include a statement in such notice that if a policyholder fails to
111 elect a reduction in policy benefits or coverage that reflects the
112 minimum set of affordable benefit options developed by the

113 commissioner pursuant to section 38a-475a by the end of the notice
114 period and has not cancelled the policy, the policyholder will be deemed
115 to have elected to retain the existing policy benefits.

116 Sec. 4. Subsection (b) of section 38a-528 of the general statutes is
117 repealed and the following is substituted in lieu thereof (*Effective July 1,*
118 *2026*):

119 (b) (1) No insurance company, fraternal benefit society, hospital
120 service corporation, medical service corporation or health care center
121 may deliver or issue for delivery any long-term care policy or certificate
122 that has a loss ratio of less than sixty-five per cent for any group long-
123 term care policy. An issuer shall file an annual report, not later than
124 January fifteenth, with the Insurance Commissioner on incurred losses
125 and actual paid losses for each long-term care policy issued in the state.
126 An issuer shall not use or change premium rates for a long-term care
127 policy or certificate unless the rates have been filed with the
128 commissioner. For a policy precertified in accordance with section 38a-
129 475, as amended by this act, the Insurance Commissioner shall not
130 approve any rate increase greater than the average rate increase for such
131 policies at the time such policy was precertified. Deviations in rates to
132 reflect policyholder experience shall be permitted, provided each policy
133 form shall meet the loss ratio requirement of this section. An insurance
134 company, fraternal benefit society, hospital service corporation, medical
135 service corporation or health care center shall, as part of any long-term
136 care policy rate increase request, provide details of any and all
137 reinsurance contracts associated with the policy at issue, including, but
138 not limited to, participation percentage of each reinsurer, by date of
139 contract. Any rate filings or rate revisions shall demonstrate that
140 anticipated claims in relation to premiums when combined with actual
141 experience to date can be expected to comply with the loss ratio
142 requirement of this section. On an annual basis, an insurer shall submit
143 to the commissioner an actuarial certification of the insurer's continuing
144 compliance with the loss ratio requirement of this section. Any rate or
145 rate revision may be disapproved if the commissioner determines that
146 the loss ratio requirement will not be met over the lifetime of the policy

147 form using reasonable assumptions.

148 (2) (A) Any insurance company, fraternal benefit society, hospital
149 service corporation, medical service corporation or health care center
150 that files a rate filing for an increase in premium rates for a long-term
151 care policy that is for twenty per cent or more shall spread the increase
152 over a period of not less than three years and not file a rate filing for an
153 increase in premium rates for the long-term care policy during the
154 period chosen. Such company, society, corporation or center shall use a
155 periodic rate increase that is actuarially equivalent to a single rate
156 increase and a current interest rate for the period chosen.

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

159 (i) Notify its certificate holders of such premium rate increase and
160 make available to such certificate holders the additional choice of
161 reducing the policy benefits to reduce the premium rate or electing
162 coverage that reflects the minimum set of affordable benefit options
163 developed by the commissioner pursuant to section 38a-475a. Such
164 notice shall include a description of such policy benefit reductions and
165 minimum set of affordable benefit options. The premium rates for any
166 benefit reductions shall be based on the new premium rate schedule;

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

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

177 Sec. 5. (NEW) (*Effective July 1, 2026*) (a) As used in this section,

178 "person" has the same meaning as provided in section 42-110a of the
179 general statutes.

180 (b) The Attorney General may investigate, intervene in or bring a civil
181 or administrative action in the name of the state, seeking injunctive or
182 declaratory relief, damages and any other relief that may be available
183 under law, whenever any insurance company, fraternal benefit society,
184 hospital service corporation, medical service corporation or health care
185 center that delivers or issues for delivery in the state any long-term care
186 policy violates the provisions of section 38a-501 of the general statutes,
187 as amended by this act, or 38a-528 of the general statutes, as amended
188 by this act.

189 (c) In conducting any investigation under this section, the Attorney
190 General may issue subpoenas and interrogatories, and otherwise gather
191 information, in the same manner and to the same extent as is provided
192 in section 35-42 of the general statutes.

193 (d) If the Attorney General finds that any insurance company,
194 fraternal benefit society, hospital service corporation, medical service
195 corporation or health care center has engaged in a practice or pattern of
196 conduct that violates the provisions of section 38a-501 of the general
197 statutes, as amended by this act, or 38a-528 of the general statutes, as
198 amended by this act, the Attorney General may bring a civil action in
199 the superior court for the judicial district of Hartford in the name of the
200 state against such issuer. Before bringing such an action, the Attorney
201 General may permit such issuer to submit a correction plan for the
202 Attorney General's approval.

203 (e) Whenever the Attorney General has reason to believe that such
204 issuer has violated the provisions of section 38a-501 of the general
205 statutes, as amended by this act, or 38a-528 of the general statutes, as
206 amended by this act, the Attorney General may apply in the name of the
207 state to the superior court in the judicial district of Hartford for an order
208 temporarily or permanently restraining or enjoining the continuance of
209 such act or acts and may seek such damages and equitable relief as may
210 be appropriate. Proof of public interest or public injury shall not be

211 required in any action brought under this subsection. The court may
 212 award the relief applied for so much as it may deem proper, including
 213 reasonable attorney's fees, accounting and such other relief as may be
 214 granted in equity. If the court finds that any such issuer is wilfully
 215 violating or has wilfully violated the provisions of section 38a-501 of the
 216 general statutes, as amended by this act, or 38a-528 of the general
 217 statutes, as amended by this act, the Attorney General, upon petition to
 218 the court, may recover, on behalf of the state, a civil penalty of not more
 219 than five thousand dollars per violation. For the purposes of this
 220 subsection, a wilful violation occurs when a person knew or should have
 221 known that conduct was in violation of the provisions of section 38a-501
 222 of the general statutes, as amended by this act, or 38a-528 of the general
 223 statutes, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2026	17a-861
Sec. 2	July 1, 2026	38a-475
Sec. 3	July 1, 2026	38a-501(b)
Sec. 4	July 1, 2026	38a-528(b)
Sec. 5	July 1, 2026	New section

Statement of Legislative Commissioners:

The title was changed.

HS *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Policy & Mgmt., Off.	GF - Cost	440,500	130,370
State Comptroller - Fringe Benefits ¹	GF - Cost	57,670	57,670

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill makes various changes related to insurance which results in a cost to the Office of Policy and Management (OPM) described below.

Section 1 requires OPM report annually, beginning January 15, 2027, on losses for each partnership policy in the past three calendar years. This results in a cost to OPM of \$140,500 in FY 27 and an annual cost of \$138,370 beginning in FY 28 for an Insurance Actuary. There is a corresponding annual cost of \$57,670 to the Office of the State Comptroller beginning in FY 27 for associated fringe benefits.

The bill also requires OPM to report by October 1, 2026, on the feasibility of requiring Long-Term Care (LTC) insurers to allow policyholders to cancel their insurance and receive certain refunds. This results in a one-time cost of \$300,000 in FY 27 for a consultant to meet the reporting requirements.

Sections 2 - 4 make various changes to long-term care insurance

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

policy laws resulting in no impact to the state.

Section 5 allows the Office of the Attorney General (OAG) to bring a civil or administrative action for certain long-term care policy violations resulting in no fiscal impact to the state as the OAG has the resources and expertise to meet the requirements of the bill.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

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)