

# OFFICE OF FISCAL ANALYSIS

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sSB-478

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

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## ***OFA Fiscal Note***

### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 27 \$</b>	<b>FY 28 \$</b>
Policy & Mgmt., Off.	GF - Cost	440,500	130,370
State Comptroller - Fringe Benefits <sup>1</sup>	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

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<sup>1</sup>The 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.

the reporting requirements.

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