



General Assembly

February Session, 2026

Substitute Bill No. 478



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 Section 17a-861 of the general statutes is repealed and the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 Section 38a-475 of the general statutes is repealed and the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.

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

Statement of Legislative Commissioners:

The title was changed.

HS *Joint Favorable Subst. -LCO*