



General Assembly

Amendment

February Session, 2026

LCO No. 5210



Offered by:

- SEN. LESSER, 9th Dist.
- REP. GILCHREST, 18th Dist.
- SEN. HOCHADEL, 13th Dist.
- SEN. CABRERA, 17th Dist.
- REP. GARIBAY, 60th Dist.

To: Subst. Senate Bill No. 478

File No. 370

Cal. No. 257

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

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subsection (b) of section 38a-501 of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective July 1,*
5 *2026*):

6 (b) (1) No insurance company, fraternal benefit society, hospital
7 service corporation, medical service corporation or health care center
8 may deliver or issue for delivery any long-term care policy that has a
9 loss ratio of less than sixty per cent for any individual long-term care
10 policy. An issuer shall not use or change premium rates for a long-term
11 care policy unless the rates have been filed with and approved by the

12 commissioner. Any rate filings or rate revisions shall demonstrate that
13 anticipated claims in relation to premiums when combined with actual
14 experience to date can be expected to comply with the loss ratio
15 requirement of this section. A rate filing shall include the factors and
16 methodology used to estimate irrevocable trust values if the policy
17 includes an option for the elimination period specified in subdivision
18 (1) of subsection (a) of this section.

19 (2) An issuer shall file an annual report, not later than May first, with
20 the Insurance Commissioner on incurred losses and actual paid losses
21 for each long-term care policy issued in the state. The Insurance
22 Commissioner, in consultation with the Secretary of the Office of Policy
23 and Management, shall, not later than October 1, 2027, and annually
24 thereafter, file a report, in accordance with the provisions of section 11-
25 4a, with the joint standing committees of the General Assembly having
26 cognizance of matters relating to aging, human services and insurance
27 and real estate on the incurred loss and actual paid loss for each long-
28 term care policy in the past three calendar years. Such report shall state
29 which policies have been precertified pursuant to section 38a-475. The
30 Insurance Department shall include a link to the report on the Insurance
31 Department's Internet web site, and the Secretary of the Office of Policy
32 and Management shall include a link to the report on the Internet web
33 site of the Office of Policy and Management.

34 (3) Not later than July 1, 2027, the Insurance Commissioner, in
35 consultation with the Secretary of the Office of Policy and Management,
36 may file a report, in accordance with the provisions of section 11-4a and
37 within available appropriations, with the joint standing committees of
38 the General Assembly having cognizance of matters relating to aging,
39 human services and insurance and real estate on the feasibility and
40 effect on access to long-term care insurance (A) of a requirement that
41 issuers of long-term care insurance policies provide policyholders an
42 opportunity to cancel such insurance and obtain full refunds of any
43 premiums paid since the start of the policies whenever such issuer files
44 for rate increases that exceed the rate of inflation; and (B) the level of

45 rate increases that can be approved by the Insurance Commissioner if
46 any insurance company, fraternal benefit society, hospital service
47 corporation, medical service corporation or health care center is
48 required to include, as part of any long-term care policy rate increase
49 request, details of any and all reinsurance contracts associated with the
50 policy at issue, including, but not limited to, participation percentage of
51 each reinsurer, by date of contract.

52 [(2)] (4) (A) Any insurance company, fraternal benefit society,
53 hospital service corporation, medical service corporation or health care
54 center that files a rate filing for an increase in premium rates for a long-
55 term care policy that is for twenty per cent or more shall spread the
56 increase over a period of not less than three years and not file a rate filing
57 for an increase in premium rates for the long-term care policy during
58 the period chosen. Such company, society, corporation or center shall
59 use a periodic rate increase that is actuarially equivalent to a single rate
60 increase and a current interest rate for the period chosen.

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

63 (i) Notify its policyholders of such premium rate increase and make
64 available to such policyholders the additional choice of reducing the
65 policy benefits to reduce the premium rate or electing coverage that
66 reflects the minimum set of affordable benefit options developed by the
67 commissioner pursuant to section 38a-475a. Such notice shall include a
68 description of such policy benefit reductions and minimum set of
69 affordable benefit options. The premium rates for any benefit reductions
70 shall be based on the new premium rate schedule;

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

75 (iii) Include a statement in such notice that if a policyholder fails to

76 elect a reduction in policy benefits or coverage that reflects the
77 minimum set of affordable benefit options developed by the
78 commissioner pursuant to section 38a-475a by the end of the notice
79 period and has not cancelled the policy, the policyholder will be deemed
80 to have elected to retain the existing policy benefits.

81 Sec. 2. Section 38a-501 of the general statutes is amended by adding
82 subsection (i) as follows (*Effective July 1, 2026*):

83 (NEW) (i) (1) Whenever the Insurance Commissioner has reason to
84 believe that any insurance company, fraternal benefit society, hospital
85 service corporation, medical service corporation or health care center is
86 operating in violation of the provisions of this section, the commissioner
87 shall have the power to conduct an investigation pursuant to section
88 38a-16.

89 (2) If, upon investigation, the commissioner determines that an
90 insurance company, fraternal benefit society, hospital service
91 corporation, medical service corporation or health care center has
92 violated the provisions of this section, the commissioner may, following
93 a hearing in accordance with section 38a-16, order a corrective action
94 plan, impose administrative remedies or issue a penalty upon such
95 insurer in accordance with section 38a-2.

96 (3) At any time prior to the conclusion of a hearing being held
97 pursuant to subdivision (2) of this subsection, the commissioner may
98 permit an insurance company, fraternal benefit society, hospital service
99 corporation, medical service corporation or health care center to submit
100 a corrective action plan for the commissioner's approval.

101 (4) The commissioner may refer any suspected violations of this
102 section to the Attorney General for consideration of further remedies as
103 may be available under state or federal law.

104 Sec. 3. Subsection (b) of section 38a-528 of the general statutes is
105 repealed and the following is substituted in lieu thereof (*Effective July 1,*
106 *2026*):

107 (b) (1) No insurance company, fraternal benefit society, hospital
108 service corporation, medical service corporation or health care center
109 may deliver or issue for delivery any long-term care policy or certificate
110 that has a loss ratio of less than sixty-five per cent for any group long-
111 term care policy. An issuer shall not use or change premium rates for a
112 long-term care policy or certificate unless the rates have been filed with
113 the commissioner. Deviations in rates to reflect policyholder experience
114 shall be permitted, provided each policy form shall meet the loss ratio
115 requirement of this section. Any rate filings or rate revisions shall
116 demonstrate that anticipated claims in relation to premiums when
117 combined with actual experience to date can be expected to comply with
118 the loss ratio requirement of this section. On an annual basis, an insurer
119 shall submit to the commissioner an actuarial certification of the
120 insurer's continuing compliance with the loss ratio requirement of this
121 section. Any rate or rate revision may be disapproved if the
122 commissioner determines that the loss ratio requirement will not be met
123 over the lifetime of the policy form using reasonable assumptions.

124 (2) An issuer shall file an annual report, not later than May first, with
125 the Insurance Commissioner on incurred losses and actual paid losses
126 for each long-term care policy issued in the state. The Insurance
127 Commissioner, in consultation with the Secretary of the Office of Policy
128 and Management, shall, not later than October 1, 2027, and annually
129 thereafter, file a report, in accordance with the provisions of section 11-
130 4a, with the joint standing committees of the General Assembly having
131 cognizance of matters relating to aging, human services and insurance
132 and real estate on the incurred loss and actual paid loss for each long-
133 term care policy in the past three calendar years. Such report shall state
134 which policies have been precertified pursuant to section 38a-475. The
135 Insurance Department shall include a link to the report on the Insurance
136 Department's Internet web site, and the Secretary of the Office of Policy
137 and Management shall include a link to the report on the Internet web
138 site of the Office of Policy and Management.

139 [(2)] (3) (A) Any insurance company, fraternal benefit society,

140 hospital service corporation, medical service corporation or health care
141 center that files a rate filing for an increase in premium rates for a long-
142 term care policy that is for twenty per cent or more shall spread the
143 increase over a period of not less than three years and not file a rate filing
144 for an increase in premium rates for the long-term care policy during
145 the period chosen. Such company, society, corporation or center shall
146 use a periodic rate increase that is actuarially equivalent to a single rate
147 increase and a current interest rate for the period chosen.

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

150 (i) Notify its certificate holders of such premium rate increase and
151 make available to such certificate holders the additional choice of
152 reducing the policy benefits to reduce the premium rate or electing
153 coverage that reflects the minimum set of affordable benefit options
154 developed by the commissioner pursuant to section 38a-475a. Such
155 notice shall include a description of such policy benefit reductions and
156 minimum set of affordable benefit options. The premium rates for any
157 benefit reductions shall be based on the new premium rate schedule;

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

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

168 Sec. 4. Section 38a-528 of the general statutes is amended by adding
169 subsection (h) as follows (*Effective July 1, 2026*):

170 (NEW) (h) (1) Whenever the Insurance Commissioner has reason to

171 believe that any insurance company, fraternal benefit society, hospital
 172 service corporation, medical service corporation or health care center is
 173 operating in violation of the provisions of this section, the commissioner
 174 shall have the power to conduct an investigation pursuant to section
 175 38a-16.

176 (2) If, upon investigation, the commissioner determines that an
 177 insurance company, fraternal benefit society, hospital service
 178 corporation, medical service corporation or health care center has
 179 violated the provisions of this section, the commissioner may, following
 180 a hearing in accordance with section 38a-16, order a corrective action
 181 plan, impose administrative remedies or issue a penalty upon such
 182 insurer in accordance with section 38a-2.

183 (3) At any time prior to the conclusion of a hearing being held
 184 pursuant to subdivision (2) of this subsection, the commissioner may
 185 permit an insurance company, fraternal benefit society, hospital service
 186 corporation, medical service corporation or health care center to submit
 187 a corrective action plan for the commissioner's approval.

188 (4) The commissioner may refer any suspected violations of this
 189 section to the Attorney General for consideration of further remedies as
 190 may be available under state or federal law."

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