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## **OLR Bill Analysis**

### **SB 1046 (File 371, as amended by Senate "A")\***

#### ***AN ACT CONCERNING LONG-TERM CARE INSURANCE.***

#### **SUMMARY**

This bill imposes certain consumer protection measures on insurers, HMOs, fraternal benefit societies, and hospital or medical service corporations (referred to collectively as “insurers”) that issue and sell long-term care (LTC) insurance policies in Connecticut.

It requires the insurance commissioner to develop a minimum set of affordable benefit options that insurers must offer to policyholders if they file a premium rate increase of 20% or more for an individual or group LTC policy.

By law, insurers filing for a rate increase of 20% or more must spread the premium increase over at least three years. The bill also prohibits them from filing an additional rate increase during this period.

It also prohibits an insurer from issuing, delivering, renewing, continuing, or amending an individual or group LTC policy on or after January 1, 2022, unless that insurer is also authorized or licensed to sell another line of insurance in Connecticut (e.g., health insurance).

Lastly, the bill makes technical and conforming changes.

\*Senate Amendment “A” removes provisions in the underlying bill allowing the attorney general to investigate and take action against an LTC insurer that deliberately or recklessly underpriced a policy by 50% or more.

EFFECTIVE DATE: January 1, 2022

#### **MINIMUM AFFORDABLE BENEFIT OPTIONS**

Under the bill, the commissioner must develop and prescribe a minimum set of affordable benefit options to be offered by LTC insurers that file for rate increases of 20% or more. He must do so after consulting with other state governments and conducting a nationwide review. The bill (1) requires the commissioner to notify these insurers of the minimum set of affordable benefit options and (2) authorizes him to adopt implementing regulations.

By law, LTC insurers must give policyholders the option of reducing their benefits to reduce their premium rate before implementing a rate increase. Under the bill, insurers must also allow policyholders to elect coverage reflecting the minimum set of affordable benefit options. As with the option to reduce benefits in existing law, insurers must (1) notify policyholders of this new option, including a description of the minimum set of affordable benefit options, and (2) allow policyholders at least 30 days to select new coverage before they are deemed to have chosen to keep the existing policy.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable

Yea 18    Nay 0    (03/22/2021)