

**STATEMENT**

**Insurance Association of Connecticut**

Insurance and Real Estate Committee

February 22, 2011

SB 469, An Act Requiring Certain Disclosures For Long-Term Care Policies

The Insurance Association of Connecticut would like to make the following comments on SB 469, An Act Requiring Certain Disclosures For Long Term Care Policies.

SB 469 would require insurers, at the time of solicitation or application for a long-term care policy to include, within the written disclosure of the benefits and limitations of the policy, a statement regarding the possibility of rate increases occurring over the life of the policy.

IAC certainly does not oppose the intent of SB 469, to ensure that consumers are fully aware of the potential for rate increases on long-term care policies. However, we would suggest an alternative to the current wording of SB 469 that would provide even more information to the consumer.

Section 9 of the National Association of Insurance Commissioners' Long-Term Care Insurance Model Regulation has been adopted by 30 states. It provides detailed information concerning rate increases on long-term care policies, including: an explanation of potential future premium rate changes; an explanation of the policyholder's option in the event of such a change; the current premium rate or rate schedule applicable to the applicant; and a general explanation for applying premium rate or rate schedule adjustments.

By incorporating provisions of the Model Regulation into state law, SB 469 would provide long-term care insurance applicants with additional, useful information, consistent with the standards currently used throughout much of the country. The NAIC has developed a model form, for compliance purposes, to be used to ensure the consumer is fully informed regarding these issues.

IAC would welcome the opportunity to work with the Insurance and Real Estate Committee to develop such an amendment to SB 469.