

**Connecticut Senate Bill 15 – An Act Requiring Public Comment for Long-Term Care
Policy Rate Filings**

Statement of

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**Connecticut Insurance and Real Estate Committee Public Hearing
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Chairmen Crisco and Megna and members of the Insurance and Real Estate Committee, America's Health Insurance Plans (AHIP) appreciates this opportunity to present testimony on Senate Bill 15, "An Act Requiring Public Comment for Long-Term Care Policy Rate Filings." AHIP is the national association representing approximately 1,300 health insurance plans that provide coverage to more than 200 million Americans. Our members offer a broad range of insurance products, including private long-term care insurance coverage, to help consumers cover the costs of their long-term care.

AHIP and our member insurers writing long-term care insurance appreciate and share the Committee's interest in oversight of increases in long-term care insurance premiums. On behalf of our members, we strongly urge you to reject Senate Bill 15 because we believe it could weaken the authority of the Connecticut Insurance Department. Under current Connecticut law (CGSA 38a-501(b)), "An issuer shall not use or change premium rates for a long-term care insurance policy unless the rates have been filed with and approved by the Insurance Commissioner." We strongly believe the appropriate oversight of long-term care insurance rate increases rests with the Connecticut Insurance Department. Consumers are already protected by state regulations and filing review by the Connecticut Insurance Department. Rate increases filed with the Insurance Department must be actuarially justified and approved by the Insurance Department before the rate increase can be implemented by the company. The actuarial data filed with the rate increase filing is complex and needs the review of regulators who are actuaries. Most members of the general public do not have the background and experience to provide actuarial input to comment on the various factors that go into a premium rate filing. Therefore, requiring a public symposium prior to any rate approval is unlikely to produce any type of meaningful technical data to assist the Insurance Department in its review of a rate increase. For these reasons, AHIP strongly urges the Committee to oppose passage of Senate Bill 15.

In closing, we believe that a better alternative for transparency and ensuring consumers are aware of the potential of rate increases is for the Connecticut Insurance Department to adopt the NAIC's Long-Term Care Insurance Model Regulation's Section 9 which requires carriers to provide consumers at initial solicitation and application with the NAIC Model's rate increase consumer disclosure form. This disclosure form forewarns the consumer that the policy may be subject to rate increases in the future, and provides an explanation of potential future premium rate revisions and the insured's options in the event of such a rate revision.