



**Senate Bill No. 9**

**Public Act No. 14-8**

**AN ACT REQUIRING CERTAIN DISCLOSURES FOR LONG-TERM CARE INSURANCE POLICIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (c) of section 38a-501 of the 2014 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2015*):

(c) (1) No such company, society, corporation or center may deliver or issue for delivery any long-term care policy without providing, at the time of solicitation or application for purchase or sale of such coverage, full and fair written disclosure of the benefits and limitations of the policy.

(2) (A) The applicant shall sign an acknowledgment at the time of application for such policy that the company, society, corporation or center has provided the written disclosure required under this subsection to the applicant. If the method of application does not allow for such signature at the time of application, the applicant shall sign such acknowledgment not later than at the time of delivery of such policy.

(B) Except for a long-term care policy for which no applicable premium rate revision or rate schedule increases can be made or as

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otherwise provided in subdivision (3) of this subsection, such disclosure shall include:

(i) A statement that the policy may be subject to rate increases in the future;

(ii) An explanation of potential future premium rate revisions and the policyholder's option in the event of a premium rate revision;

(iii) The premium rate or rate schedule applicable to the applicant that will be in effect until such company, society, corporation or center files a request with the Insurance Commissioner for a revision to such premium rate or rate schedule;

(iv) An explanation of how a premium rate or rate schedule revision will be applied that includes a description of when such rate or rate schedule revision will be effective; and

(v) Information regarding each premium rate increase, if any, over the past ten years on such policy form or similar policy forms for this state or any other state, that identifies, at a minimum, (I) the policy forms for which premium rates have been increased, (II) the calendar years when each such policy form was available for purchase, and (III) the amount or percentage of each increase. The percentage may be expressed as a percentage of the premium rate prior to the increase or as minimum and maximum percentages if the rate increase is variable by rating characteristics.

(C) The company, society, corporation or center may provide, in a fair manner, any additional explanatory information related to a premium rate or rate schedule revision.

(3) (A) Any such company, society, corporation or center may exclude from the disclosure required under subparagraph (B) of subdivision (2) of this subsection premium rate increases that only

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apply to blocks of business or long-term care policies acquired from a nonaffiliated company, society, corporation or center and that occurred prior to the acquisition.

(B) If an acquiring company, society, corporation or center files a request for a premium rate increase on or before January 1, 2015, or the end of a twenty-four-month period after the acquisition, whichever is later, for a block of policy forms or long-term care policies acquired from a nonaffiliated company, society, corporation or center, such acquiring company, society, corporation or center may exclude from the disclosure required under subparagraph (B) of subdivision (2) of this subsection such premium rate increase, except that the nonaffiliated company, society, corporation or center selling such block of policy forms or long-term care policies shall include such premium rate increase in such disclosure.

(C) If an acquiring company, society, corporation or center under subparagraph (B) of this subdivision files a subsequent request, even within the twenty-four-month period specified in said subparagraph, for a premium rate increase on the same block of policy forms or long-term care policies set forth in said subparagraph, the acquiring company, society, corporation or center shall include in the disclosure required under subparagraph (B) of subdivision (2) of this subsection such premium rate increase and any premium rate increase filed and approved pursuant to subparagraph (B) of this subdivision.

(4) If the offering for any long-term care policy includes an option for the elimination period specified in subdivision (1) of subsection (a) of this section, the application form for such policy and the face page of such policy shall contain a clear and conspicuous disclosure that the irrevocable trust may not be sufficient to cover all costs during the elimination period.

Sec. 2. Subsection (c) of section 38a-528 of the 2014 supplement to

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the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2015*):

(c) (1) No such company, society, corporation or center may deliver or issue for delivery any long-term care policy without providing, at the time of solicitation or application for purchase or sale of such coverage, full and fair written disclosure of the benefits and limitations of the policy. The provisions of this subsection shall not be applicable to [ (1) Any long-term care policy which is delivered or issued for delivery to one or more employers or labor organizations, or to a trust or to the trustees of a fund established by one or more employers or labor organizations, or a combination thereof, for employees or former employees or a combination thereof or for members or former members or a combination thereof, or the labor organizations; and (2)] noncontributory plans.

(2) (A) The applicant shall sign an acknowledgment at the time of application for such policy that the company, society, corporation or center has provided the written disclosure required under this subsection to the applicant. If the method of application does not allow for such signature at the time of application, the applicant shall sign such acknowledgment not later than at the time of delivery of such policy.

(B) The policyholder shall provide a copy of such disclosure to each eligible individual.

(3) (A) Except for a long-term care policy for which no applicable premium rate revision or rate schedule increases can be made or as otherwise provided in subdivision (4) of this subsection, such disclosure shall include:

(i) A statement that the policy may be subject to rate increases in the future;

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(ii) An explanation of potential future premium rate revisions and the policyholder's or certificate holder's option in the event of a premium rate revision;

(iii) The premium rate or rate schedule applicable to the applicant that will be in effect until such company, society, corporation or center files a request with the Insurance Commissioner for a revision to such premium rate or rate schedule;

(iv) An explanation of how a premium rate or rate schedule revision will be applied that includes a description of when such rate or rate schedule revision will be effective; and

(v) Information regarding each premium rate increase, if any, over the past ten years on such policy form or similar policy forms for this state or any other state, that identifies, at a minimum, (I) the policy forms for which premium rates have been increased, (II) the calendar years when each such policy form was available for purchase, and (III) the amount or percentage of each increase. The percentage may be expressed as a percentage of the premium rate prior to the increase or as minimum and maximum percentages if the rate increase is variable by rating characteristics.

(B) The company, society, corporation or center may provide, in a fair manner, any additional explanatory information related to a premium rate or rate schedule revision.

(4) (A) Any such company, society, corporation or center may exclude from the disclosure required under subdivision (3) of this subsection premium rate increases that only apply to blocks of business or long-term care policies acquired from a nonaffiliated company, society, corporation or center and that occurred prior to the acquisition.

(B) If an acquiring company, society, corporation or center files a

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request for a premium rate increase on or before January 1, 2015, or the end of a twenty-four-month period after the acquisition, whichever is later, for a block of policy forms or long-term care policies acquired from a nonaffiliated company, society, corporation or center such acquiring company, society, corporation or center may exclude from the disclosure required under subdivision (3) of this subsection such premium rate increase, except that the nonaffiliated company, society, corporation or center selling such block of policy forms or long-term care policies shall include such premium rate increase in such disclosure.

(C) If an acquiring company, society, corporation or center under subparagraph (B) of this subdivision files a subsequent request, even within the twenty-four-month period specified in said subparagraph, for a premium rate increase on the same block of policy forms or long-term care policies set forth in said subparagraph, the acquiring company, society, corporation or center shall include in the disclosure required under subdivision (3) of this subsection such premium rate increase and any premium rate increase filed and approved pursuant to subparagraph (B) of this subdivision.

Approved May 8, 2014