Statement

Insurance Association of Connecticut

Insurance and Real Estate Committee

February 18, 2014

SB 13, An Act Requiring Public Comment For
Certain Long-Term Care Policy Rate Insurance Requests

The Insurance Association of Connecticut (IAC) opposes SB 13, An Act Requiring Public Comment For Certain Long-Term Care Policy Rate Insurance Requests, as it would have a counterproductive effect on the long-term care insurance marketplace in Connecticut.

SB 13 would require the Insurance Commissioner to hold a symposium that provides an opportunity for public comment on any long-term care filing that involves a rate increase of ten percent or more. It would also require that any written and oral comments from the public be considered by the Commissioner when making a decision on such a rate filing. Members of the public will inevitably take the opportunity to comment that they do not want rates to go up, but that should not be dispositive relative to the legitimacy of the filing.

Rate filings are highly complex, and contain various actuarial documents and formulas. Judgments on the facts presented and calculations made in a filing should be the province of the regulator, who has the background and expertise to consider the filing objectively. Subjective input from the public would likely add nothing to the proper consideration of a filing. In addition, group insurance is often experience rated, which would make public hearing comments from individuals non-productive.

The Insurance Department has clearly demonstrated over the years that it can properly exercise its authority to regulate rates concerning LTC insurance products. SB 13 would only serve to add unnecessary input and delays and increased costs to the regulatory process, and create disincentives for LTC insurers to compete for business in this state. The best interests of purchasers of LTC products in this state would not be served by the passage of SB 13.

IAC urges rejection of SB 13.