

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 14-8—SB 9**

*Insurance and Real Estate Committee*

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

**SUMMARY:** This act expands disclosure requirements for individual and group long-term care (LTC) insurance policies. It also extends the disclosure requirements to group policies delivered or issued for delivery (1) to one or more employers or labor organizations or a trust they or the fund's trustee establish and (2) for employees or former employees, members or former members, or the labor organizations.

The act requires disclosures to be in writing. For group policies, it requires the policyholder to provide a copy of the disclosure to each eligible individual.

The act requires an applicant for an individual or group policy to sign an acknowledgment when applying that the insurer has provided the required disclosure to him or her. If the application method does not allow for a signature at the time of application, the applicant must sign the acknowledgment by the time the policy is delivered.

The act applies to policies delivered or issued for delivery by insurance companies, fraternal benefit societies, hospital and medical service corporations, and health care centers (i.e., HMOs). By law, disclosure requirements do not apply to group plans that require no contributions from members.

EFFECTIVE DATE: January 1, 2015

**LONG-TERM CARE INSURANCE DISCLOSURES**

*Disclosure Requirements*

By law, entities that provide LTC insurance policies must give applicants full and fair disclosure of the policy benefits and limitations, with some exceptions. The act generally requires this disclosure to include:

1. a statement that the policy's premiums may be subject to future rate increases;
2. an explanation of potential future premium rate revisions and the policyholder's option if a premium rate is revised;
3. the premium rate or rate schedule that applies to the applicant until the insurer files a request with the insurance commissioner to revise the rate or rate schedule;
4. an explanation of how a premium rate or rate schedule revision will be applied and when it will go into effect; and
5. information on each premium rate increase, if any, over the past 10 years on the policy form or similar policy forms for Connecticut or any other

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state that at least identifies the (a) policy forms for which rates have been increased, (b) calendar years when each policy form was available for purchase, and (c) amount or percentage of each increase, expressed either as a percentage of the prior rate or as minimum and maximum percentages if the rate increase is variable by rating characteristics.

The insurer can provide, in a fair manner, any additional explanatory information related to a rate or rate schedule revision.

### *Disclosure Exceptions*

Disclosure requirements do not apply to LTC policies for which no applicable premium rate revision or rate schedule increases can be made.

The insurer may exclude from the disclosures rate increases that apply only to blocks of business or LTC policies acquired from a nonaffiliated insurer that occurred before the acquisition. In addition, if an acquiring insurer files a rate increase request on or before January 1, 2015, or the end of a 24-month period after the acquisition, whichever is later, for a block of LTC policies or policy forms acquired from a nonaffiliated insurer, the acquiring insurer may exclude the rate increase from the disclosure. But the nonaffiliated insurer selling the same block of policies or policy forms must include the rate increase in its disclosure.

If an acquiring insurer files a subsequent request for a rate increase on the same LTC policies or policy forms, even within the 24-month period, it must include in the disclosure the rate increase and any premium rate increase filed and approved under the act.

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