



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

NOTICE OF DECISION TO TAKE ACTION ON PROPOSED REGULATIONS

In accordance with section 4-168(a) of the Connecticut General Statutes, as amended, notice is hereby given that the Insurance Commissioner, pursuant to the authority of sections 38a-8 and 38a-458 of the Connecticut General Statutes, has decided to proceed with proposed amended regulations concerning Life Insurance Products Providing Long Term Care. Notice of Intent to amend these regulations was posted to the regulations webpage of the Secretary of the State on May 12, 2016. The Insurance Department received one written comment.

As required by the Freedom of Information Act and Conn. Gen. Stat. §4-168(d), the following items are available for copying at the address specified below, through the eRegulation system, and, if applicable, by the alternate methods detailed:

(A) The final wording of the proposed regulation

A copy of the proposed regulation is available for public inspection through the eRegulation system and during regular business hours at the Insurance Department at 153 Market Street, 7th floor, Hartford, CT 06103. An electronic copy of the entire regulation making file including the Notice of Intent to Amend the Regulation, the proposed regulation, fiscal note, small business impact statement, comments received, and this Notice of Decision to proceed are available for public inspection on the Insurance Department website at <http://www.ct.gov/cid>. Click on Laws and Regulations and then click on Proposed Regulations.

(B) A statement of the principal reasons in support of this intended action

The proposed amendment is to comply with the directive in CGS 38a-458 that the Commissioner shall promulgate regulations. The amendments reflect updates to existing regulations to conform to the current statutes and requirements, as well as loosening some requirements to allow more products to be sold. The changes to the regulations will assist in providing more consumer choice in the insurance market.

(C) A statement of the principal considerations in opposition to this intended action

The Insurance Department received one comment from the Industry. A copy of the comment letter is posted on the eRegulation system. The comments received were in opposition to the proposed amendments to the regulations in that there was some confusion regarding the differences in types of products to be sold under CGS 38a-457 and CGS 38a-458. The commentors wanted changes to CGS 38a-457 which are not the subject of the proposed regulations. The commentors requested the Department clarify points regarding licensure to sell the products that fall under the proposed regulation and tax qualified status under the proposed regulation.

(D) A statement of the agency's reasons for accepting or rejecting such considerations.

The Department believes the proposed regulations are clear that the regulations regard life insurance policies that have a long term care rider for which a policy holder may accelerate the death benefit to provide coverage. The Department believes the IAC,

NAIFA, and ACLI are confusing the requirements under two separate sections of the Connecticut General Statutes, 38a-458 and 38a-457. These sections provide different benefits. CGS 38a-457 allows acceleration of a life insurance policy for someone who is chronically ill, and CGS 38a-458 allows acceleration of a life insurance policy for long term care benefits. Under CGS 38a-458, the section of the law under which we have made these proposed amendments; there is no requirement that these types of plans be tax qualified. This requirement is found under 38a-457. These are separated for this reason. The Department believes the proposed changes to the regulations will expand products able to be offered in the insurance market.

Address where copies of items (A) through (D) above can be made or obtained:

Via the eRegulation system online at:

<https://eregulations.ct.gov/eRegsPortal/Search/RMRView/PR2016-012>

Connecticut Insurance Department
153 Market Street
7th Floor
Hartford, CT 06103

In addition, these items are available for viewing and printing on the following website:
<http://www.ct.gov/cid>. Click on Laws and Regulations and then click on Proposed Regulations.

Regulations may also be obtained by contacting Kristin Campanelli, Counsel at
kristin.campanelli@ct.gov.



Katharine L. Wade
Insurance Commissioner