



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

Tuesday, June 28, 2016

(via email – [josh@capitolconsultingct.com](mailto:josh@capitolconsultingct.com))

Josh Hughes  
On behalf of NAIFA, ACLI, and IAC  
Capitol Consulting LLC  
23 Viola Drive  
East Hampton, CT 06424

Re: Proposed Amendments to the Life Insurance providing Long Term Care Benefits Regulations

Dear Mr. Hughes:

Thank you for your submitted comments relating to the proposed amendments to the life insurance providing long term care benefits regulations. In order to best address them, I will discuss them in the order in which they were submitted.

- 1.) Confusion surrounding acceleration of death benefits – You asked us to clarify whether the regulations were intended to apply to the acceleration of death benefits of life insurance policies for long term care benefits. 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.
- 2.) Confinement only concerns – You asked us to clarify our intent regarding these regulations applicability to benefits for confinement only purposes because you were concerned about jeopardizing the tax qualified status of these benefits. The statute granting us the authority to promulgate these proposed regulations, CGS 38a-458, is specific in that it requires the benefits offered under this provision of the law to be for confinement only purposes. 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 under 38a-458 will allow for more filings to be made under that provision of the law.
- 3.) Life and health licensing requirement– You asked us to remove the dual licensure requirement to sell products filed under CGS 38a-458. In the authorizing statute, CGS 38a-458, there is a requirement for parties to be licensed for both life and health to sell

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life insurance products that have a long term care rider because long term care is a health product. Since this requirement is contained in statute, the Department cannot remove it.

Thank you again for your comments. Although the Department has declined to make any changes to the proposed regulations, we value the collaborative nature of the regulation making process and will continue to work together in the future.

Sincerely,

A handwritten signature in blue ink that reads "Kristin M. Campanelli". The signature is written in a cursive style and is positioned above a horizontal line.

Kristin M. Campanelli  
Counsel