



## Short-Term and Long-Term Care Insurance

### Summary

Both short-term care (STC) and long-term care (LTC) insurance generally provide coverage for home care, assisted living, and other services that help individuals perform daily living activities, such as bathing, dressing, and personal hygiene.

STC insurance policies generally have shorter benefit periods and shorter benefit waiting periods (e.g., elimination or exclusionary periods) than LTC insurance policies. STC and LTC policies are not considered comprehensive health insurance policies and they do not cover many of the benefits associated with comprehensive health insurance.

### STC Insurance in Connecticut

LTC insurance has been offered in Connecticut for many years, but individual STC insurance policies were only authorized to be sold in the state last year ([PA 16-63, § 2](#)). A 2017 act authorized the sale of group STC policies ([PA 17-198, § 4](#)).

Both [PA 16-63](#) and [PA 17-198](#) require the insurance commissioner to adopt regulations for STC insurance policies. The regulations must include (1) permissible loss ratios and exclusionary periods, (2) circumstances when a policy is renewable, and (3) the benefits payable in relation to an insured's other insurance coverage.

The regulations for the individual market took effect May 26, 2017. Regulations for the group market have not yet been adopted.

### Insurance Terms

- **Benefit Period** - The length of time during which a benefit is paid following a claim
- **Elimination Period** - The length of time an insured must wait after making a claim before collecting benefits
- **Exclusionary Periods** - Any period during which benefits are not payable, including an elimination period (see above) or pre-existing condition limitation
- **Loss Ratio** - Generally, the ratio of claims paid to premiums collected
- **Renewability / Noncancellable** - Generally, a requirement that an insured meeting his or her obligations under the policy (e.g., paying premiums) has an opportunity to renew the policy

## Short- and Long-Term Care Insurance Comparison

	STC Insurance	LTC Insurance
Policy Limitations	Must provide benefits on an expense-incurred, indemnity or prepaid basis for necessary care or treatment of an injury, illness, or loss of functional capacity provided by a certified or licensed health care provider in a setting other than an acute care hospital	Same as STC
Benefit Period	Up to 300 days	At least one year
Elimination Period	Up to 30 days for individual policies*	(1) Up to 100 days, or (2) up to two years in certain circumstances
Third-Party Claim Submissions	Allowed	Allowed
Rate Requirements	Cannot be excessive, inadequate, or unfairly discriminatory	Must meet minimum loss-ratio (see below)
Loss Ratios	At least 55% for individual policies*	At least (1) 60% for individual policies or (2) 65% for group policies
Rate Increase Limitations	For individual policies, rates cannot increase solely due to an insured aging above 65 or the duration the insured has been covered under the policy*	An increase of 20% or more must be spread over at least three years
Renewability	Individual policies must include a guaranteed renewal or noncancellable clause*	Must include a guaranteed renewal or noncancellable clause
Non-forfeiture and Inflation Protection	For individual policies, insurers may offer a non-forfeiture benefit and must offer inflation protection*	Must be offered with policy
Exclusions	Does not include any policy that primarily provides basic Medicare supplement coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income protection coverage, accident only coverage, specified accident coverage, or limited benefit health coverage.	Same as STC

Source: [CGS §§ 38a-501 & 38a-528](#) (LTC); [Conn. Agency Regs. §§ 38a-501-8 et seq.](#) (LTC); [CGS § 38a-501a](#) (STC); [Conn. Agency Regs. §§ 38a-501a-1 et seq.](#)

\* As of the date of this report, the regulations for group STC policies have not yet been adopted.

Learn  
More

- [OLR Report 2015-R-0185](#)
- [OLR Report 2015-R-0194](#)

- [CGS §§ 38a-501 & 38a-528](#) (LTC)
- [Conn. Agency Regs. §§ 38a-501-8 et seq.](#)
- [CGS § 38a-501a](#) (STC)
- [Conn. Agency Regs. §§ 38a-501a-1 et seq.](#)

