



House of Representatives

General Assembly

File No. 61

February Session, 2018

Substitute House Bill No. 5209

House of Representatives, March 28, 2018

The Committee on Insurance and Real Estate reported through REP. SCANLON of the 98th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING LONG-TERM CARE INSURANCE PREMIUM RATE INCREASES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subparagraph (A) of subdivision (2) of subsection (b) of
2 section 38a-501 of the 2018 supplement to the general statutes is
3 repealed and the following is substituted in lieu thereof (*Effective*
4 *October 1, 2018*):

5 (2) (A) Any insurance company, fraternal benefit society, hospital
6 service corporation, medical service corporation or health care center
7 that files a rate filing for an increase in premium rates for a long-term
8 care policy that is for twenty per cent or more shall spread the increase
9 over a period of not less than (i) three years for a rate filed prior to
10 October 1, 2018, and (ii) five years for a rate filed on or after October 1,
11 2018. Such company, society, corporation or center shall use a periodic
12 rate increase that is actuarially equivalent to a single rate increase and
13 a current interest rate for the period chosen.

14 Sec. 2. Subparagraph (A) of subdivision (2) of subsection (b) of
 15 section 38a-528 of the 2018 supplement to the general statutes is
 16 repealed and the following is substituted in lieu thereof (*Effective*
 17 *October 1, 2018*):

18 (2) (A) Any insurance company, fraternal benefit society, hospital
 19 service corporation, medical service corporation or health care center
 20 that files a rate filing for an increase in premium rates for a long-term
 21 care policy that is for twenty per cent or more shall spread the increase
 22 over a period of not less than (i) three years for a rate filed prior to
 23 October 1, 2018, and (ii) five years for a rate filed on or after October 1,
 24 2018. Such company, society, corporation or center shall use a periodic
 25 rate increase that is actuarially equivalent to a single rate increase and
 26 a current interest rate for the period chosen.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2018</i>	38a-501(b)(2)(A)
Sec. 2	<i>October 1, 2018</i>	38a-528(b)(2)(A)

INS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

There is no fiscal impact to the state or municipalities because the bill relates to private entities and individuals. It increases, from three to five, the number of years over which a long-term care insurance carrier must spread a significant premium rate increase starting with rates filed on or after October 1, 2018.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis

sHB 5209

AN ACT CONCERNING LONG-TERM CARE INSURANCE PREMIUM RATE INCREASES.

SUMMARY

This bill requires insurers, fraternal benefit societies, HMOs, or health and medical service corporations that issue long-term care (LTC) insurance policies to spread out any premium increases of 20% or more over a period of five, instead of three, years. The bill applies to individual and group LTC premium rate increases filed on or after October 1, 2018.

By law, a carrier that files any premium rate increase with the insurance commissioner must notify individual policyholders and group certificate holders, give them the option of reducing benefits to reduce the premium rate, and give them at least 30 days to elect reduced benefits (CGS §§ 38a-501 & -528).

EFFECTIVE DATE: October 1, 2018

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 18 Nay 3 (03/15/2018)