

# Aging Committee JOINT FAVORABLE REPORT

**Bill No.:** HB-5099

AN ACT CONCERNING AN INCOME TAX DEDUCTION FOR LONG-TERM  
**Title:** CARE INSURANCE PREMIUMS.

**Vote Date:** 3/4/2020

Joint Favorable Substitute Change of Reference to Finance, Revenue and

**Vote Action:** Bonding

**PH Date:** 2/18/2020

**File No.:**

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

## **SPONSORS OF BILL:**

Aging Committee

## **REASONS FOR BILL:**

Seniors have experienced growing premiums at expedient rates. This bill would create incentives for purchase of long-term care insurance by permitting tax deductions against personal property.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

None expressed.

## **NATURE AND SOURCES OF SUPPORT:**

**Camille Simpson, Regional Vice President, State Relations, American Council of Life Insurers and Eric George, President of the Insurance Association of Connecticut:**

Submitted testimony jointly stating that creating tax incentives for the purchase of long-term care insurance is a valuable tool. Tax incentives would make coverage more affordable and accessible to those who need it. The testimony also notes that twenty-nine states offer some form of tax incentives in the form of credits or deductions.

**Steven Hernandez, Executive Director of the Commission on Women, Children, Seniors, Equity and Opportunity:** Testified that the population over 65 in Connecticut was 16% in 2016. Long-term care insurance has skyrocketed, and the cost of plans has outgrown the overall healthcare cost with premiums spiking as much as 300%.

**National Association of Insurance and Financial Advisors – Connecticut:** Submitted testimony that failure to plan for long-term care can result in a person's entire life savings being wiped out in a few years. Business owners in Connecticut can take advantage of tax benefits when purchasing a long-term care insurance contract but few individuals have the same opportunity. This bill would incentivize individuals to purchase the insurance and avoid depletion of assets.

**Bob Rodman, Volunteer with Connecticut AARP:** He purchased policy for himself and his wife in 2002 when the total cost was \$6,085. The same policy today is \$13,826. He believes the proposed tax incentives will encourage the purchase of private long-term care insurance. He states the option to remain at home and live independently required a combination of family support, a strong safety net, caregiver friendly policies and affordable home care.

**NATURE AND SOURCES OF OPPOSITION:**

None Submitted

**Reported by: Gaia McDermott**