

# Aging Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-897

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

**Vote Date:** 3/2/2021

**Vote Action:** Joint Favorable Change of Reference to Finance, Revenue and Bonding

**PH Date:** 2/23/2021

**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:**

Currently the state does not allow residents to deduct qualified long-term care insurance premiums to the same extent that the deduction is allowed under current federal law. Some state residents carry long-term care insurance which, if utilized, would reduce their long-term care costs, which ultimately would benefit the state. Premiums for long-term care insurance have skyrocketed over the past several years which have caused some of the insured to consider dropping their coverage. Long-term care insurance eases the financial burden to the state regarding long-term care insured residents.

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

**Michael Werner, Attorney, Commission on Women, Children, Seniors, Equity and Opportunity:** They offered testimony in support of this proposal. Connecticut's population is getting older and while long-term insurance was a good investment in years past, the cost of plans have been skyrocketing recently with some premiums increasing as much as 300%. An income tax deduction would be a great assistance to seniors.

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

**Anna Doroghazi, AARP Connecticut:** Their testimony was in support of this bill. The costs associated with long-term care are increasing rapidly and people who have been paying for coverage for years are now considering dropping their policies due to the escalation of their costs at a time when they might need it the most. They also believe that efforts to incentive

long-term care insurance should be paired with stronger consumer protections for policy holders.

**The National Assoc. of Insurance and Financial Advisors – Connecticut:** Their testimony was submitted in support of this legislation. They feel that long-term care insurance is one of the more invaluable pieces of a retirement plan. They note that this bill has been passed by the committee in the last few years, but it always had a fiscal note that looked at the immediate cost to the General Fund but did not look at the savings the state would receive when fewer people are in nursing homes.

**NATURE AND SOURCES OF OPPOSITION:**

No testimony in opposition was submitted.

**Reported by: Richard Ferrari, Assistant Clerk  
Richard O’Neil, Assistant Clerk  
Joe Perkus, Clerk**

**Date: 3/25/2021**