
OLR Bill Analysis

HB 6577

AN ACT CONCERNING LONG-TERM CARE INSURANCE PREMIUM RATES.

SUMMARY

This bill creates a personal income tax deduction for long-term care (LTC) insurance premiums. It allows taxpayers to reduce their Connecticut adjusted gross income by the amount of any LTC insurance premiums they paid in the taxable year.

Under the bill, eligible premiums are those for individual or group LTC insurance policies that provide benefits for treating an injury, illness, or loss of functional capacity in a setting other than an acute care hospital (e.g., a nursing home or an insured's home). An LTC policy does not include a policy that primarily provides Medicare supplemental coverage, disability income protection coverage, or major medical coverage, among other exclusions.

The bill also requires LTC insurers (i.e., insurers, HMOs, fraternal benefit societies, and hospital or medical service corporations), before implementing a premium rate increase of more than 10%, to hold a public hearing and notify policyholders about the hearing date and time at least 14 days in advance.

EFFECTIVE DATE: Upon passage and applicable to taxable years beginning on or after January 1, 2023, for the tax deduction, and July 1, 2023, for the public hearing requirement.

COMMITTEE ACTION

Aging Committee

Joint Favorable Change of Reference - FIN
Yea 15 Nay 0 (02/28/2023)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 47 Nay 4 (04/19/2023)