Please attribute to Commissioner Mais

- Our rate review process is fully transparent and based in law and actuarial science – not perception.

- The CID's filing reviews are conducted within the framework established by the Connecticut insurance statutes and regulations applicable to individual LTC insurance rates. In addition, the CID's actuarial division's review of LTC rate increases requests comply with all Actuarial Standards of Practice, as adopted by the American Academy of Actuaries ("Actuarial Standards").

    - Rate filings or rate revisions must be able to demonstrate how the 60% loss ratio will be complied using anticipated claims, premiums, and actual experience to date. The loss ratio means the company must spend at least 60 cents of each dollar of premium on benefit costs.
    - All filings of rates and rating schedules must be accompanied by an actuarial certification demonstrating how expected claims to premiums will comply with the statutory loss ratio.
    - The Actuarial Standards used during the rate review process offer complex methods for calculating reasonable profit provisions of a company. Many of the factors considered, such as investment returns, operational costs, and underwriting expenses, are multi-faceted expenses that are generally reported on an aggregate or average basis. Executive compensation is one component of the general expenses within the broader category of underwriting expenses. Because of the complexity of the calculations that go into the ratemaking and review process, it would be difficult to challenge or deny a rate request solely on the basis of executive compensation.
    - No premium rates for insurance may be changed or used unless they have been filed with, and approved by, the Insurance Commissioner.

- Any rate increase approved by the CID that is 20% or higher must be spread out over at least three years. In addition, effective with filings submitted January 1, 2022, and later, no additional rate increases are allowed during the spread-out period. Both items are required under the Connecticut insurance law. The CID actuaries monitor and compel compliance with these requirements.

- LTCI rate increases are not specific to CT but are nationwide. In terms of insurance products, LTCI is a relatively new product and, in many cases, was inadequately priced when companies began offering it. Specifically, the pricing did not and could not have contemplated that people are living longer and require more care, and therefore more services. In addition, the cost of services has increased significantly. Unlike medical health insurance with premiums set to cover costs for the upcoming policy year, LTC premiums are set to cover costs that are not expected to occur until years ahead, sometimes 20 or more years in the future.

- We are also working with states through the NAIC on different proposals that contemplate some much-needed relief on future significant rate increases for those that have already endured significant LTC rate increases, and to create a more consistent actuarial review process in hopes of establishing more consistency among states on rate recommendations.

- Overseeing insurance solvency and compliance with the Connecticut insurance law are critical functions of the CID. In an attempt to strengthen the LTCI market, effective January 1, 2022, no insurer may issue LTCI policies unless they are authorized or licensed to sell another line of insurance in Connecticut. Insurance regulators fully recognize the issues that are driving up costs and consistently consider how best to maintain a healthy insurance market for consumers within the bounds of the law.