Governor Ned Lamont
Fact Sheet: 2025 Legislative Proposal

SENATE BILL 1253

AN ACT REDUCING INSURANCE RATE PREMIUM REQUESTS

The Current Situation

Connecticut is stronger, more productive, and successful when people can live their healthiest lives, and that depends on their ability to afford health care services when they need them. Unfortunately, the cost of health care is out of reach for many, and the financial burden is adding pressure on families already struggling to pay for basic household needs.

The Connecticut Health Care Affordability Index (2024 Update) found that approximately 13% of Connecticut households could not afford their health care costs in 2022.[1] Connecticut residents also pay more for health care than residents in other states, including many of our neighboring states. A recent Consumer Affairs report ranked Connecticut as the fifth most unaffordable state for health care costs, with the second-highest overall costs for single insurance coverage and fourth highest in annual premiums for single coverage.

For 2025, insurance carriers on average requested rate increases ranging from 8.3% for individual plans to 11.9% for small group plans. These proposals came after having already raised individual plan rates by 9.4% and small group plans by 7.4% on average in 2024.[2] Thankfully, enhanced federal subsidies available on the exchange have helped offset health care premium and cost increases for many residents. However, with federal enhanced subsidies set to expire at the end of this year, without action from Congress, consumers will be exposed to even higher increases in the future.

[1] https://selfsufficiencystandard.org/wp-content/uploads/2024/09/CHAI2024_Summary.pdf
[2] https://ctmirror.org/2024/09/09/ct-health-plans-price-increase-2025/

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Governor Lamont’s Solution

Establish new tools to allow the Commissioner of Insurance to reduce health insurance premium rate increase requests that are unaffordable for Connecticut consumers.

Currently, the premium rate filing review is almost entirely focused on actuarial soundness — whether projected revenue is sufficient to cover projected expenses. The process does not consider the overall impact of rate filings on consumer affordability and therefore cannot protect consumers from the rapidly increasing costs of prescription drugs, hospital care, and other medical services.

Adding a new metric to consider the actual impact on consumers’ ability to afford health care premiums and costs in the rate review process will encourage insurance carriers to use their market power and influence to actively negotiate and reduce health care costs rather than passing them on to consumers.

The Commissioner of Insurance would have the authority to reduce a group or individual health insurance rate request by up to two percentage points if that carrier or plan exceeded the Cost Growth Benchmark in each of the previous two years.