

Legislative History for Connecticut Act

<u>HB 5657</u>	<u>PA 176</u>	<u>1971</u>
Insurance & RE	p 120, 129 (no real disc)	(2)
Senate	p 1508	(1)
House	p 1729-30	(2)
LAW/LEGISLATIVE REFERENCE DO NOT REMOVE FROM LIBRARY		Total - 5P



Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate and House of Representatives Proceedings

Connecticut State Library

Compiled 2013

JOINT
STANDING
COMMITTEE
HEARINGS

INSURANCE &
REAL ESTATE

1-379

1971

INDEX

Mr. Yeats statement continued:

Registration under and compliance with the holding company laws of states other than Connecticut would be a serious and an unnecessary burden on the Connecticut companies. Deference to regulation by a company's home state in many areas is both traditional and necessary if the 50 state regulation of insurance system is to be workable. Accordingly, we respectfully urge the Joint Committee to revise this additional section of the insurance holding company law.

End of Mr. Yeats' Statements.

Sen. Dinielli: Any questions? Anything else Mr. Yeats?
Thank you.

James R. Matthews, Executive vice president for the Connecticut Association of Independent Insurance Agents: I am speaking in support of SB-304 and HB-5657 both concerned with the termination of the agent's appointment; To correct an omission in the law that was adopted in the last session. No provision was made in there for the agent's commission continuing at the rate that he was being paid when the termination occurred. We think the wording in SB-304 is preferable to the wording in HB-5657.

I would also like to make a statement and I would like to read it because it is a little involved. On SB-303 AN ACT CONCERNING INSURANCE CONSULTANTS. The Connecticut Association of Independent Insurance Agents supports the intention of this bill to allow the licensing on non-residents as "insurance consultants." However, Section 2 of the bill repeals Section 38-92j of the present statutes which states that "The provisions of this act shall not apply to . . . a licensed insurance broker, or to a licensed insurance agent . . ."

If you remove this provision then licensed agents are bound by Section 38-92c of the present law which is not touched by this new bill. In effect, then, a licensed insurance agent would be unable to identify himself, as he has for many, many years as: "insurance consultant," "insurance adviser," "insurance specialist," "insurance counselor," "insurance analyst," "insurance specialist," "insurance counselor," "insurance analyst," "policyholders' advisor," "policyholders counselor" or any other similar title, and this is all quoting from the present law. Or any title, word or combination of words indicating that he gives, or is engaged in the business of giving, advice, counsel, recommendation or information to holders of policies of insurance or annuity or pure endowment

Mr. Marinan continued: only every five months in every two years so consequently you make plans to seek the charter and on occasion you will not implement the charter. So this is very simply a request for that.

I have this statement which I will submit to you.

In an aside however I would comment that here for instance is a charter bill. Company which has not been organized. A company which in fact we may organize and in turn seek licenses in 50 states.

Mr. Kelly commented in his comments about HB-6993 that there is really no problem as far as retailatory provisions, I would just cite to you this example.

Here is an obvious example of a Connecticut company which in fact actually may seek licenses for in the 50 states. This bill which would HB -6993 would very simply going to cost us, the Travelers Corporation or this company some \$50,000. So I think that that bill should be looked at very very strongly.

I would comment also on SB-304 and HB-5657 which are the agency termination bills. I have checked with my company, the Travelers is in fact paying these commissions and in turn I support both these measures.

Sen. Dinielli: Questions? Is there anyone else here?
Mr. Yeats.

Mr. Yeats, Aetna Life and Casualty: We do not oppose either the Travelers Charter bill nor HB-5657 and SB-304 Acts regarding termination of agent's appointments and commissions related there to. We do not oppose these bills.

Sen. Dinielli: Thank you. Thank you for your brief statement. Anyone else? The insurance committee wants to thank you all for staying with us since- We will close the hearing. Thank you.

S-79

CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1971

VOL. 14
PART 4
1457-1920

May 4, 1971

Page 10

THE CHAIR:

Question is on passage. Will you remark further? If not, all those in favor signify by saying, "aye". Opposed, "nay". Bill is passed.

THE CLERK:

CAL. NO. 439. File 391. Favorable report of the joint committee on Insurance and Real Estate. Substitute House Bill 5657. An Act Concerning Commissions for Renewals Paid to Insurance Agents Whose Appointments are Terminated.

SENATOR DINIELLI:

Mr. President, I move for acceptance of the joint committee's favorable report and passage of the bill. This bill corrects legislation which was passed two years ago, which required Insurance Companies upon termination of an agent to renew their business for one more year. At that time, which was left out of the original act, the requirement that a company should also pay the agent a commission. This insures that the commission should be paid the same amount to the agent for the renewal. I move adoption.

THE CHAIR:

Question is on passage. Will you remark further? If not, all those in favor of passage signify by saying, "aye". Opposed, "nay". The ayes have it; the bill is passed.

THE CLERK:

CAL. 464. File 403. Favorable report of the joint committee on Judiciary. House Bill 5163. An Act Concerning Actions for Partition or Sale of Property.

SENATOR CALDWELL:

Mr. President, I move the acceptance of the committee's favorable

H-111

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1971

VOL. 14

PART 4b

1705-1967

Tuesday, April 27, 1971

25

ad

And secondly, the bill provides for an additional page size, one which will conform the equipment now being used by the Assembly.

MR. SPEAKER:

Further remarks on the bill. If not, all those in favor indicate by saying "Aye". Those opposed. The bill is passed.

CLERK:

Calendar 447, Substitute for House Bill 5657 - An Act Concerning Commissions for Renewals Paid to Insurance Agents Whose Appointments are Terminated, File 391.

MR. SPEAKER:

Gentleman from the 124th.

REPRESENTATIVE JOHNSON:

Mr. Speaker, I move acceptance of the Joint Committee's favorable report and passage of the bill.

MR. SPEAKER:

Question is on acceptance and passage, Would you remark.

REPRESENTATIVE JOHNSON:

Yes, Mr. Speaker. The present statute allows for one year renewal on property and casualty policies written by any company following termination of an independent agents contract. This bill requires the commission be paid on such business renewed during this year. And to coin an old phrase, it is a good bill, it ought to pass.

MR. SPEAKER:

Further remarks on the bill. If not, all those in favor

Tuesday, April 27, 1971

26

ad

indicate by saying "Aye". Those opposed. The bill is passed.

CLERK:

Calendar 448, Substitute for House Bill 5703 - An Act
Concerning Interest Charges on Delinquent Property Taxes, File 398.

MR. SPEAKER:

Gentleman from the 118th.

REPRESENTATIVE AJELLO:

I move that Calendar 448, Substitute for House Bill 5703
be passed, retaining its place on the Calendar.

MR. SPEAKER:

Is there objection. Hearing none, so ordered.

CLERK:

Calendar 450, Substitute for House Bill 5995 - An Act
Concerning the General Powers of the Tax Commissioner to Pre-
scribe Regulations and Rulings.

MR. SPEAKER:

Gentleman from the 118th.

REPRESENTATIVE AJELLO:

Mr. Speaker, may this item be passed temporarily.

MR. SPEAKER:

So ordered.

CLERK:

Calendar 453, Substitute for House Bill 6187 - An Act
Concerning Air Pollution Control Devices on Trucks, Busses and
Other Motor Vehicles.

MR. SPEAKER: