

Act Number	Session	Bill Number	Total Number of Committee Pages	Total Number of House Pages	Total Number of Senate Pages
PA 71-292		303	3	2	2
<u>Committee Pages:</u> <ul style="list-style-type: none"> <i>Insurance & Real Estate 120-122</i> 				<u>House Pages:</u> <ul style="list-style-type: none"> 2661-2662 	<u>Senate Pages:</u> <ul style="list-style-type: none"> 1529-1530

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
1971**

**VOL. 14
PART 6
2503-3010**

Thursday, May 13, 1971

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MBS

for Senate Bill No. 303, An Act Concerning Insurance Consultants, file 608.

WILLIAM J. SCULLY, JR., 91st District:

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

MR. SPEAKER:

Will you remark?

WILLIAM J. SCULLY, JR., 91st District:

Yes, Mr. Speaker, this act amends the insurance consultants law as passed by the 1969 session of the General Assembly. It raises the classification from insurance consultant to certified insurance consultant. Thus allowing normal insurance agents and brokers to advertise certain consulting services and advisory services without being in conflict with the law. It establishes standards for obtaining the certified consultants license and allows the licensing of all individuals, including non-residents, who meet the qualifications of the act.

MR. SPEAKER:

Are there further remarks on the bill?

THOMAS H. DOOLEY, 47th District:

Mr. Speaker, a question through you to Rep. Scully. This bill repeals a portion of the prior law, specifically Section 38-92J, that particular section indicated that the licensing requirements did not apply to an officer or a

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regular salaried employee of an insurance company, acting for the company, an attorney-at-law in this state, or a certified public accountant. Mr. Speaker, just for the record, and to put aside any doubts about the legislative intent, I'd like to ask, through you, to Rep. Scully as to whether or not the bill, as is currently drafted and is before us today, is intended to diminish, in any way, the rights and privileges previously enjoyed by attorneys, certified public accountants and officers or home office employees of insurance companies?

MR. SPEAKER:

Does the gentleman care to respond?

WILLIAM J. SCULLY, 91st District:

Mr. Speaker, in reference to Mr. Dooley's question, it was never the legislative intent to prohibit attorneys from advising their clients as to certain wordage in the contract, or certified public accountants from advising their clients of the cost of a particular insurance policy, or the home office employees from performing their duties for the company. It is just our intent to qualify certain people as certified insurance consultants.

MR. SPEAKER:

Will you remark further on the bill? If not, all those in favor indicate by saying aye, opposed? The bill is passed.

THE CLERK:

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**CONNECTICUT
GENERAL ASSEMBLY**

SENATE

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CAL. NO. 437. File No. 623. Favorable Report of the joint committee on Public Health and Safety. Substitute House Bill 5108. An Act Requirement of Certificates of Occupancy in Tenement Houses.

SENATOR PAC:

Mr. President, I move the acceptance of the joint committees favorable report and passage of the bill, as amended by House Amendment A.

This bill would revise the statutes pertaining to certificates of occupancy. It only affects those communities that have adopted this section. And it would widen the scope to include four family dwellings from six previously. Any community that had adopted this plan would require that any four family home, or larger would be forced to comply to the Housing Ordinances of the City before a certificate of occupancy could be issued. On the second page of the file, there's a technical change, the word preceding it replaces the succeeding. This is the larger change, this exclusion for all dwellings that have been built within 15 years is useless without this change.

THE CHAIR:

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

THE CLERK:

CAL. NO. 450. File No. 608. Favorable report of the joint committee on Insurance and Real Estate. Substitute Senate Bill 303. An Act Concerning Insurance Consultants.

SENATOR DINIELLI:

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

report and passage of the bill. This act amends the Insurance consultants laws which passed in the '69 session. It raises the classification from Insurance Consultant to Certified Insurance Consultant. Thus allowing normal insurance agents and brokers to advertise certain consulting services without breaking the law. 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". Bill is passed.

THE CLERK:

CAL. NO. 451. File No. 615. Favorable report of the joint committee on Welfare, Corrections and Humane Institutions. Senate Bill 1460. An Act Concerning the Powers of the Welfare Commissioner.

SENATOR CIARLONE:

Mr. President, the Clerk has an amendment. I would like to have him read it.

THE CLERK:

SENATE AMENDMENT A offered by Senator Ciarlone:

In line 5, after the words "or both" insert: or for services for a former or potential recipient of services from the welfare department.

SENATOR CIARLONE:

Mr. President, I move the adoption of the amendment. It permits the State Welfare Department to take advantage of a Federal Regulation which allows 75 % matching funds in a wide group of child welfare services. This amendment would also be beneficial in day care services. I urge adoption.

THE CHAIR:

Question is on the adoption of the amendment. Will you remark further?

**JOINT
STANDING
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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

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Mr. Matthews continued: contracts, unless he holds a license as an insurance consultant under the provisions of this act."

As you can see, the new bill would seriously hamper, if not prohibit, a licensed insurance agent from acting in the capacity he has always acted - namely as an advisor and counselor to his clients and prospective clients.

We recommend for your consideration that the proposed be amended so that only the title "Insurance Consultant" or "Licensed Insurance Consultant" be covered by this measure and that no one who has not passed the special examination for this license can signify or designate or call himself an "Insurance Consultant" All other titles or designations or Activities presently in the domain of licensed insurance agents should remain in as before.

Sen. Dinielli: Any questions on that? I guess not. Mr. Stamm do you want to testify?

Charles H. Stamm, General Counsel, Connecticut General Life Insurance Company: I echo in part the previous speaker's remarks on SB-303. We have no difficulty with the first section of the bill which expands the licensing provisions for insurance consultants however we would call to your attention the fact that Section 2 will eliminate some exemptions which we think presently are meritorious. The exemptions included employees of insurance companies, salaried employees of insurance companies, attorneys, and C.P.A.s as well as agents and brokers. Now these people in the normal course of their business do provide this service which otherwise presumably would have to be licensed.

I don't know the reason for the inclusion of this second section but I just wanted to direct your attention to the fact that it would present a possibly intolerable burden on the way these classes of people presently operate.

I have a statement which I will submit.

STATEMENT IN OPPOSITION TO SB 303

An Act Concerning Insurance Consultants

My name is Charles H. Stamm, General Counsel, Connecticut General Life Insurance Company. I wish to speak in opposition to SB 303, An Act Concerning Insurance Consultants. Our concern is with Section II of the bill which would repeal Section 38-92j of the 1958 revision to the General Statutes. This section provides an exemption for officers and salaried employees of insurance companies, licensed insurance agents and brokers, attorneys and C.P.A.s from the licensing requirements for Insurance Consultants. We believe these exemptions are entirely reasonable and proper and would suggest that removal of the exemptions would impair, if indeed not prevent, the usual and customary activities of these classes of persons. We do not understand why these exemptions "make the present law unworkable" as alleged in the statement of purpose. We respectfully submit that the exemptions presently contained in the law are reasonable and necessary and should not be eliminated.

Sen. Dinielli: Thank you Mr. Stamm. Sir.

Frank Pierson; Mr. Chairman I have no objection to this statute. Frankly I am satisfied that they required me to take the exam. The only objection that I have is that I would like to have the wording changed to "Certified Insurance Consultant". We know that we have public accounts, a man can always call himself a public accountant or he can call himself an accountant. But he can't call himself a certified public accountant until he has passed the state license. The only wording that I would have changed at the present time is the name "Certified Insurance Consultant". Thank you.