

Act Number	Session	Bill Number	Total Number of Committee Pages	Total Number of House Pages	Total Number of Senate Pages
PA 71-293		5540	4	4	1
<u>Committee Pages:</u> <ul style="list-style-type: none"> • <i>Insurance & Real Estate</i> 39 • <i>Insurance & Real Estate</i> 41 • <i>Insurance & Real Estate</i> 182-183 				<u>House Pages:</u> <ul style="list-style-type: none"> • 1857(Consent) • 2689-2691 	<u>Senate Pages:</u> <ul style="list-style-type: none"> • 1683

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
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0482, an Act concerning appointment and certification of local Fire Marshals and Deputies, File No. 247; Calendar No. 549, S.B. No. 0483, an Act concerning aid to dependent Children, File No. 249; at the bottom of the page, Calendar No. 557, S.B. No. 0878, an Act concerning termination or removal of notice of a vessel lien, File No. 306. And also, Mr. Speaker, on Page 1, I would ask you to remove Calendar No. 529, Substitute for H.B. No. 6167, an Act providing one appraiser of real estate for savings banks and savings and loan associations, File No. 487.

EFH

MR. SPEAKER:

So ordered.

RONALD A. SARASIN:

Mr. Speaker, I move acceptance of the Joint Committees' favorable reports and passage of the Bills on today's Consent Calendar. Bills on today's Consent Calendar, Mr. Speaker, are Calendar No. 519, H.B. No. 5254, an Act concerning estates of welfare recipients, File No. 484; Calendar No. 526, Substitute for H.B. No. 5540, an Act concerning indemnification of directors, officers and employees of mutual insurance companies, File No. 486, Calendar No. 530, Substitute for H.B. No. 6172, an Act concerning home improvement and personal loans by savings and loan associations, File No. 479; Calendar No. 543, S.B. No. 0014, an Act concerning the taking of oysters in the Housatonic River, File No. 325; Calendar No. 550, S.B. No. 0491, an Act concerning Schoolhouse construction, File No. 342; Calendar No. 553, skipping 551, Substitute for S.B. No. 0610, an Act concerning the definition of

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So ordered.

JOHN D. PRETE, 114th District:

Mr. Speaker, while we are at this point in the calendar, on page 13 there is an item that should be recommitted. It's page 13 of the calendar, the last item on the bottom, Calendar No. 863, House Bill No. 6426, An Act Concerning Motor Vehicle Exhaust Pipes, file number 902. May that matter be recommitted to the Committee on Transportation?

MR. SPEAKER:

The gentleman from the 114th, on page 13, has indicated he wishes to move to recommit Calendar No. 863, the last calendar item, House Bill No. 6426, file 902 to the Committee on Transportation. Will you remark?

MICHAEL L. MORANO, 151st District:

Mr. Speaker, I object to recommital.

MR. SPEAKER:

I suggest, rather than get into a debate, it is a single stared item, that the motion to recommit be withdrawn and this item be considered when it is double stared tomorrow.

JOHN D. PRETE, 114th District:

Mr. Speaker, I withdraw the motion to recommit.

THE CLERK:

Page 25 of the calendar, Disagreeing Action, Calendar No. 526, Substitute House Bill No. 5540, An Act Concerning Indemnification of Directors, Officers and Employees of Mutual Insurance Companies. As amended by Senate Amendment Schedule

Thursday, May 13, 1971

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MBS

"A".

WILLIAM J. SCULLY, 91st District:

Mr. Speaker, I move for the acceptance of the joint committee's favorable report, as amended by Senate Amendment Schedule "A".

MR. SPEAKER:

Question is on acceptance and passage. Pending before us for action is Senate Amendment Schedule "A". Does the gentleman care to outline the amendment as opposed to having it read.

WILLIAM J. SCULLY, 91st District:

Yes, I would. Mr. Speaker, Senate Amendment Schedule "A" changes one word, the word policyholder to the word member. This is needed where there is a mutual contract or mutual insurance company where the person who holds the contract is not actually a policyholder but in actuality a member. This would clarify this bill and make it an excellent bill and I move for passage as amended.

MR. SPEAKER:

Will you remark further on Senate Amendment Schedule "A"? If not, all those in favor of adopting Senate Amendment Schedule "A" indicate by saying aye. Opposed? The amendment is adopted, it is ruled technical. You may proceed with the bill as amended.

WILLIAM J. SCULLY, 91st District:

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Mr. Speaker, I move for passage of the joint committee's favorable report and passage of the bill, as amended by Senate Amendment Schedule "A".

MR. SPEAKER:

Will you remark further?

WILLIAM J. SCULLY, 91st District:

No, Mr. Speaker.

MR. SPEAKER:

Question is on acceptance and passage as amended by Senate Amendment Schedule "A", all those in favor indicate by saying aye, opposed? The bill is passed.

THE CLERK:

Petition No. 1, Calendar No. 898, House Bill No. 5319, An Act Abolishing the Death Penalty. Unfavorable report of the House Committee on Judiciary.

MR. SPEAKER:

May I ask the Clerk to go back and call those items that were passed temporarily before this is taken up because I think it would take a considerable period of time.

THE CLERK:

Page 6 of the calendar, Calendar No. 415, Senate Joint Resolution No. 74, Resolution Providing Transportation Allowance to the Sergeants-at-Arms and Assistant Sergeants-at-Arms of the General Assembly.

ADDIO E. BONETTI, 175th District:

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THE CLERK:

Page 16, matters returned from Legislative Commissioners. The second item Cal. 514, File 783, 486 Favorable substitute report of the joint standing committee on Insurance and Real Estate on Substitute H.B. 5540 An Act Concerning Indemnification of Directors, Officers and Employees of Mutual Insurance Companies.

THE CHAIR:

Senator Dinielli.

SENATOR DINIELLI:

Mr. President, I move for acceptance of the joint committee's favorable report and acceptance of the bill as amended by Senate Ament. Sch. A.

THE CHAIR:

Will you remark?

SENATOR DINIELLI:

This merely concerns Indemnifications for Directors and officers of Mutual Insurance Companies as is now provided for for Stock Companies. The Amendment merely changes the word policy holders to members as is used in the mutual insurance companies.

THE CHAIR:

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

**JOINT
STANDING
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Rep. Palmieri: Any further questions? Thank you Tom. Anyone else wishing to speak against this bill? If there are no other speakers on this bill we will close the hearing on HB-5473 and open hearings on HB-5540. Any proponents of this bill?

HB-5540 (Rep.Kennelly) AN ACT CONCERNING IDENTIFICATIONS OF DIRECTORS, OFFICIERS AND EMPLOYEES OF MUTUAL INSURANCE COMPANIES

Charles Stamm, General Counsel of Connecticut General Life Insurance Company: It was the understanding of the people who are principally interested in this bill that it was going to be heard at a later date, consequently they aren't here to speak. It's my understanding that both HB-5540 and HB-5541 are simply bills that would permit the Mutuals to do as stock companies are presently permitted to do under the Stock Corporation Act.

But again there will be someone to speak on these bills and hopefully you'll agree to postpone them to a later date. Thank you.

Rep. Palmieri: I see several legislators in the audience and perhaps they would like to speak and get on to other committee hearings.

Rep. Gerald Stevens, 122nd District: I am speaking in regards to HB-6263 which I have submitted which is entitled: AN ACT CONCERNING PROOF OF FINANCIAL RESPONSIBILITY. This particular statute is the one that gives the Commissioner of Motor Vehicles the right to require what is commonly known as a SR-22 to be filed by an Insurance company which is a certificate showing that a particular individual has insurance in force.

During the last two years I must have had a dozen cases that I have been involved in in which people have their licenses taken by the Motor Vehicle Commissioner for one reason or another and were then in turn entitled to have them returned to them provided they filed, their insurance company filed the SR-22 form which showed that insurance was in force. In each of the cases that I have problems on the insurance carrier refused to file the SR-22. Even though the individual had insurance in force.

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Rep. Stevens continued: I'm concerned with a person who has the charges dismissed against him yet has been without his license.

Rep. Vicino: I agree with you.

Rep. Palmieri: Let's go back to HB-5540 and listen to any others who are in favor of this bill.

HB-5540 (Rep. Kennelly) AN ACT CONCERNING THE IDENTIFICATIONS OF DIRECTORS, OFFICIERS AND EMPLOYEES OF MUTUAL INSURANCE COMPANIES

B. M. Anderson, Bloomfield, Hartford Attorney, Not representing any client in connection with this bill: I was intimately connected with the bill which covered stock insurance companies and stock corporations in Connecticut. It was drafted carefully by the corporation committee of the State Bar Association. The committee considering it made a minor change. This bill parrallels it. I hope you'll pass it.

Rep. Palmieri: Thank you Mr. Anderson. Any questions of Mr. Anderson. Thank you sir. Any other proponent of this bill? Are there any opponents to the bill? If not we will close the hearing on HB-5540 and open hearings on HB-5541. PROponents please.

HB-5541 (Rep. Kennelly) AN ACT CONCERNING THE ACQUISITION AND ORGANIZATION OF SUBSIDIARIES BY DOMESTIC MUTUAL LIFE INSURANCE COMPANIES

Robert Fiondella, Bristol Connecticut also with Phoenix Mutual Life Insurance Company: It was my understanding also that HB-5540 and HB-5541 would be scheduled for an additional hearing. I humbly make that request.

Rep. Palmieri: Thank you sir. We will consider it. Are there any proponents of HB-6263? Any opponents to this bill?

HB-6263 (Rep. Stevens) AN ACT CONCERNING PROOF OF FINANCIAL RESPONSIBILITY

James Marinan, Travelers INSurance Company: I must say that I don't think that the Travelers or any of the companies are opposed to the concept that Mr. Stevens mentioned where there is in fact an innocent individual who waits three or four months and goes to court is found innocent and then

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Mr. Marigan: I think you are talking about physicians.

Rep. Simons: Well I am just trying to put myself in the place of someone-

Mr. Marigan-I agree it would be very difficult to think how you would approach this problem as an individual, I agree with that.

Sen. Dinielli: Any other questions? I think just for the information of the committee, Miss Perry was yours a group contract? Yes it was. Just clarifying that. Thank you.

Sen. Rome: Do you have available so that this committee might look at it a policy, your standard form policies with this coverage included as an optional coverage?

Mr. Marigan: I'll get it to you.

Sen. Dinielli: Thank you. Anyone else in opposition to HB-5282? If there is no further comments on HB-5282, we will go to the next bill on the calendar HB-5540 AN ACT CONCERNING IDENTIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES OF MUTUAL INSURANCE COMPANIES. Is there anyone here who wishes to speak in behalf of this?

Hugh Campbell: This act is designed to apply the same rules to Connecticut Mutual Insurance Companies as are identified as Hugh Campbell, Vice President of Phoenix Mutual Life Insurance Company- This act is designed to apply the same rules to Connecticut mutual insurance companies as are presently applicable to Connecticut stock companies including stock insurance companies; With regard to the indemnification of officers, directors, and employees.

The bill simply follows the language of the existing law that is now on the books of the state making appropriate adjustments to allow for mutual insurance companies. The present law is addressed to corporations that are organized as stock corporations and it's merely the difference in the nature of the organization of the mutual companies that necessitate this legislation. I won't attempt to go into the detail of it because it's identical in all particulars except for the difference in the stock and mutual organization of companies. I would be happy to try and answer any questions.

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Sen. Dinielli: Any questions from any of the committee?
I guess not Mr. Campbell. Thank you.

Robert R. Googins, Counsel for Connecticut Mutual Life Insurance Company: I will also be very brief. This should be a very non controversial piece of legislation because it is almost identical with that currently on the books with respect to stock corporations and we certainly hope that it passes. We need this legislation. Thank you.

Sen. Dinielli: Thank you. Any other comments on HB-5540?
In opposition? Then we will move on to HB-5541. THE ACQUISITION AND ORGANIZATION OF SUBSIDIARIES BY DOMESTIC MUTUAL LIFE INSURANCE COMPANIES. I believe the clerk has a substitute bill on this also.

Hugh Campbell, Vice President of the Phoenix Mutual Life Insurance Company: We've asked to introduce this bill in order to put Connecticut in the same company with some of the other prominent insurance states. Our neighboring states which have important insurance business like Connecticut are Massachusetts, New York and New Jersey and they have legislation at the present time of very recent vintage of this general character that permits a life insurance company to organize or to acquire subsidiaries.

The general nature of the kind of subsidiaries is specified in this bill as it is in the bills of those other same states I mentioned. And in each instance the general character of the subsidiary has some normal logical or reasonable relationship to the business of the life company, the parent life company. We've provided in here that the parent company own at least a majority of the voting stock of the subsidiary and that the aggregate amount invested by the parent on a cost basis be limited to 10% of the parent's assets..

Sen. Dinielli: Any questions from anyone of the committee?
Would this acquire you, allow you to acquire you to a, Travelers, is this part of it?

Hugh Campbell: Well I never thought of it. It is a possibility I suppose.

Sen. Dinielli: Any other speakers in favor of HB-5541? Anyone opposed to this bill? We will now speak on SB-65 AN act concerning TRUTH IN INSURANCE. Anyone in favor?

Joe Zdonczyk, Wolcott, Connecticut: I was drawn here today by a misunderstanding. There was a bill that was being considered today titled AN ACT CONCERNING UNFAIR INSURANCE PRACTICES