

Act Number	Session	Bill Number	Total Number of Committee Pages	Total Number of House Pages	Total Number of Senate Pages
PA 71-460		5541	3	2	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> 183 				<u>House Pages:</u> <ul style="list-style-type: none"> 3607 	<u>Senate Pages:</u> <ul style="list-style-type: none"> 3170-3171

H-114

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
1971**

**VOL. 14
PART 7
3011-3376**

Wednesday, May 19, 1971

78

and passage of the bill.

MR. SPEAKER:

Will you remark.

REPRESENTATIVE BROWN:

The Committee on Corrections, Welfare and Humane Institutions favors this bill and what it provides of the State Welfare Department has had a very successful experience with the insurance company as intermediaries for certain aspects of the Title 19 program. The Welfare Department is very anxious to have this legislation in order to streamline their operation within this regard. I move its adoption.

MR. SPEAKER:

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

CLERK:

Page 6, Calendar 957, Substitute for House Bill 5541 - An Act Concerning the Acquisition and Organization of Subsidiaries by Domestic Mutual Life Insurance Companies.

MR. SPEAKER:

Representative Colucci.

REPRESENTATIVE COLUCCI:

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

MR. SPEAKER:

Would you remark.

REPRESENTATIVE COLUCCI:

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Wednesday, May 19, 1971

79
ad

Four life insurance companies, particularly those organized in the important insurance states, Georgia, Iowa, Massachusetts, Michigan, New Jersey, New York, Oklahoma, Tennessee are specifically permitted to acquire and organize subsidiaries by statutes containing provisions similar to those contained in the subject bill. The subject bill simply recognizes the changing nature of the insurance industry and will enable domestic mutual life insurance companies to compete effectively with insurance organized in other states as conditions in the life insurance industry change. The Insurance Committee urges passage of this bill.

MR. SPEAKER:

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

CLERK:

Calendar 958, Substitute for House Bill 5752 - An Act Concerning the Approval of Plans and Site for School Building Projects in Phases of Development or Construction.

MR. SPEAKER:

Representative Klebanoff.

REPRESENTATIVE KLEBANOFF:

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

MR. SPEAKER:

Will you remark.

REPRESENTATIVE KLEBANOFF:

**S-81
CONNECTICUT
GENERAL ASSEMBLY**

SENATE

**PROCEEDINGS
1971**

**VOL. 14
PART 6
2436-2873**

May 28, 1971

15.

THE CHAIR:

The question is on passage of the bill as amended. Will you remark further? Hearing none, all those in favor of the bill signify by saying aye. AYE. Opposed nay? The ayes have it, the bill as amended is passed.

THE CLERK:

Page 8, Cal. 866, File 1042, Favorable report of the joint standing committee on Insurance and Real Estate on Substitute H.B. 5541 An Act Concerning the Acquisition and Organization of Subsidiaries by Domestic Mutual Life Insurance Companies.

THE CHAIR:

Senator Dinielli.

SENATOR DINIELLI:

Mr. President, I move for acceptance of the bill and passage.

THE CHAIR:

Will you remark?

SENATOR DINIELLI:

Mr. President, this act puts into Statutory form the powers that are already held by the Mutual Life Insurance Companies. And merely a statement of they already are able to do now in other statutes.

THE CHAIR:

The 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:

Page 9, Cal. 921, File 1083 Favorable report of the joint standing Committee on Finance. Substitute for H.B. 5990 An Act Concerning Corporation Business Tax Consolidated Return.

THE CHAIR:

Senator Rimer.

**JOINT
STANDING
COMMITTEE
HEARINGS**

**INSURANCE
AND
REAL ESTATE**

1-379

**1971
Index**

WEDNESDAY

FEBRUARY 24, 1971

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.

6cap

INSURANCE AND REAL ESTATE

WEDNESDAY

FEBRUARY 24, 1971

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

25 cap
WEDNESDAY

INSURANCE AND REAL ESTATE

MARCH 24, 1971

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