

Legislative History for Connecticut Act

SB 387	CPA 199)	Scanned	1977
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CONNECTICUT
GEN. ASSEMBLY

SENATE

PROCEEDINGS

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PART 3

855-1312

April 21, 1977, Thursday 10

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will take up calendars 476, 477, 478 and 479. Mr. President, I'd ask that all other double-starred items on the calendar be marked passed retaining.

THE CHAIR:

Without objection, they will hold their place as passed retained items. Shall we start the calendar for the day?

THE CLERK:

Turning to page 1 of the calendar under the title Order of the Day, Calendar 380, File 310, Favorable Report of the Joint Standing Committee on Insurance and Real Estate. Substitute for Senate Bill No. 387. An Act Concerning Regulation of Insurance.

THE CHAIR:

Senator Flynn.

SENATOR FLYNN:

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

THE CHAIR:

Will you comment on it, Bill.

SENATOR FLYNN:

Yes, Mr. President. I believe the Clerk has an amendment.

SENATOR BOZZUTO:

Mr. President, under the appropriate rule, I will abstain from voting and remove myself from the Chamber.

THE CHAIR:

The record will be so noted, Senator.

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SENATOR BOZZUTO:

Thank you.

THE CHAIR:

The Clerk does have an amendment, Senator Flynn, is that correct?

SENATOR FLYNN:

Yes, Mr. President.

THE CLERK:

Clerk has Senate Amendment Schedule A, File 310, Substitute Senate Bill 387, LCO 8031, offered by Senator Flynn, copies are on the desks of the Senators.

SENATOR FLYNN:

Mr. President, I'll explain this amendment and then if there is no question or objection, ask that it be adopted by voice vote.

THE AMENDMENT READS AS FOLLOWS:

In line 17, after "PART" strike out the following: ", BY THE COMMISSIONER," and substitute the following in lieu thereof; "AS THE COMMISSIONER MAY DEEM NECESSARY FOR THE PURPOSE OF ADEQUATELY PROTECTING THE INSURED OR SECURING THE SOLVENCY OF SUCH COMPANY."

Strike out lines 18 to 20, inclusive, in their entirety.

In line 562, before "shall" insert the following: "insuring against loss resulting from liability for damages because of bodily injury or death of any person and injury to or destruction of property arising out of the ownership, maintenance or use of a specific motor vehicle or motor vehicles,"

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In line 566, strike out "Each" and insert the following in lieu thereof: "On or before January 1, 1978, each"

In line 577, after the period insert the following: "Any modification of such rules and regulations shall be on file with the commissioner for a waiting period of thirty days before it becomes effective."

THE CHAIR:

One moment, Joe,
Senator Putnam, would you like to be heard?

SENATOR PUTNAM:

Sorry, Mr. President, I didn't see it sooner. Under Section 15, I'd like to be excused.

THE CHAIR:

Very well. Senator invokes Rule 15. Record will be so noted. All right, Joe. Go ahead.

SENATOR FLYNN:

Mr. President, this amendment is purely technical in nature. It amends the existing language in the file copy to adequately set forth what was the intent of the Committee, namely that the Insurance Commissioner may shorten the ^(run-off?) (inaudible) period that's provided in Section I as he deems necessary for adequately protecting the insured or securing the solvency of a company. The second major technical change in the amendment is that it inserts in line 562 the same exact language which is found in the following two sections for the sake of uniformity. The third major thing is that in line 577, it provides for the time within which these rules must be filed

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so that there is no doubt or confusion about that. I move adoption of this amendment, Mr. President.

THE CHAIR:

Ladies and Gentlemen of the Circle, you've heard the explanation of Senate Amendment Schedule A. Are there further comments? If not, all in favor of Senate A please indicate by saying aye, those opposed say nay, the ayes have it. The amendment is adopted.

SENATOR FLYNN:

Mr. President, addressing myself to the main bill, this bill seeks to address itself to many problems which have been brought to our attention over the last several months of investigation and public hearings into problems that the public has had with respect to insurance. The bill does a number of things. I'll capsulize them by saying that it changes the method by which the insurance Commissioner may find casualty rates to be excessive, it increases the runoff time or period of time in which after an agent's termination, a company must continue to write policies of insurance, it increases notice requirements with respect to cancellations, non-renewals and requires that the reasons be given and it requires that underwriting rules of these companies be filed and statistical data with respect to the operation of these companies be also filed. The main bill is an important measure and therefore I'm going to go through it section by section to let the members of the Circle know exactly what it does and to properly establish the legislative intent of the General Assembly in adopting it. I'll take the second

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section first because I believe it is the most important section. That deals with the change in the structure and the means of setting rates. Section two amends an existing section of the general statutes. Under present law, in order to set aside an insurance rate, the Insurance Commissioner must find not only that the rate is unreasonable for the amount of insurance provided, but also that there is a lack of competition. This bill removes that word "and" and substitutes "or". If it passes, henceforth the Commissioner would have to establish only either one of those two things, either that there was no competition or that the rate was unreasonably high for the amount of insurance provided. There is adequate protection in the existing statute which remains unchanged which provides that no rate may be insufficient that gives the authority to the Insurance Commissioner to make sure the policy-holders and the public is protected from insolvencies in that regard. Section one, extends the current run-off period where agents are terminated. In the hearings we held, we found there has definitely been a problem with termination of insurance agents. This particular section addresses itself to it by extending the existing run-off period within which insurance must continue to be written from the present statutory twelve months to eighteen months. Section three, a change is made with respect to notice of cancellation. Presently, twenty days notice is required. This bill amends the existing statute to require ^a thirty day notice. The notice of cancellation with respect to auto policies and home-owners policies must specify the reason for this cancellation. Under

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the present statute, a person is permitted to request it. This alters existing statute by providing that this information must be specified at the time this notice is sent out. We provide also in this bill that the insurance companies, writing automobile insurance, must file with the Insurance Commissioner, the underwriting rules upon which they base whether or not they will write or underwrite a given auto policy. Presently they are not required to do this. The bill also provides that in the event there are amendments or changes or modifications in those rules, that those modifications or changes must be filed. The bill also provides that certain statistical information must be provided to the Insurance Commissioner each year. The reason for this provision to clear the air and to clarify doubts and ambiguities as to the nature of the insurance market. This bill will provide that the number of auto insurance policies in force as of January 1st, the number of car years in force as of January 1st, the number of non-renewals during the year, number of cancellations during the year, the number of new policies written during the year and the number of policies in force as of December 31st and the number of car years in force as of December 31st be filed with the Insurance Commissioner. This will give us as of sometime in March of 1978 adequate information to determine just what the state of the Connecticut auto insurance market is and further will, I believe for the first time, give some ability to determine by comparing the car year figures to automobile registration figures just how many motorists within the State are uninsured.

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This bill, Mr. President, is an attempt to address itself to some of the major problems that were brought to the attention of the Committee. We will be taking up two other measures today as well which also relate to this important subject. I would ask that the bill be supported as amended, because I believe that it goes a long way in adequately protecting the public.

THE CHAIR:

Thank you, Senator Flynn. Are there further remarks to be made?
Senator Fauliso.

SENATOR FAULISO:

Mr. President, first of all I compliment Senator Flynn as Chairman of this very important committee for the monumental piece of work that they have done. I consider this one of the major pieces of legislation that we're dealing with in this session. I think what we're treating here is some of the inequities that exist, some of the complaints that have been made, some of the reactions of people, and what we're trying to do here is to establish a bill of rights for consumers and those who buy insurance. The salient features have already been outlined, the extension of time for agents who write insurance and who have been terminated, the extension of that time from twelve to eighteen months seem to me in the best interests of the people of this state. The amendment insofar as the new definition of excessive rate is concerned is very significant and most important it seems to me that the question of cancellation or non-renewability is quite important. There are many people whose policies are cancelled. It seems to me that it's very

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important that the individual know what the reasons are for cancellation and likewise for non-renewability. So all of these features and others that have been mentioned by Senator Flynn are in the best interests of the people of this state. I think that this is one which the insurance industry realizes is very important. Speaking in behalf of all of the people namely the industry too. I think while they have their problems, I think we have to balance the equities in this particular case, the interests of the people seems to me paramount and I think in establishing these perimeters and these standards, we're doing something that is progressive and certainly due to the people of the state who buy policies of insurance. I therefore endorse this particular bill and the two others which we will be treating later.

THE CHAIR:

Senator DeNardis.

SENATOR DENARDIS:

Yes, Mr. President. I also rise in support of this omnibus insurance bill. It's an important bill, perhaps not a monumental bill, but an important bill, and we on the Minority side of the aisle applaud its presentation and urge its passage. The insurance industry is a big industry in our state. We want to make sure that it has a favorable climate in which to continue to expand and provide a good economic impact for this state, but we also want to make sure that the industry meets their responsibilities to agents to policyholders and we feel that the provisions with respect to cancellation

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and non-renewability are important ones that will tighten up our laws and make sure that some of the abuses or alleged abuses of foreign and domestic insurance companies are remediated, so with that intention in mind, we will endorse this piece of legislation.

THE CHAIR:

Thank you, Senator. Will you remark further?

SENATOR BALLEEN:

Mr. President.

THE CHAIR:

Senator Ballen.

SENATOR BALLEEN:

I too rise in support of this bill. It is an omnibus bill. It does address itself to all the major areas of concern, rates, the cost of insurance, availability, cancellation, notice requirements, renewal requirements. In other states these are all major areas of concern. They're big problems. I was happy to see this bill come out because I really feel it is a step in the right direction in Connecticut to help to alleviate these problems before they become major areas of concern in this state, and I would like to thank Senator Flynn and Representative Palmieri, the co-chairman of the Insurance Committee for an outstanding job in really encompassing most of the major areas of problems in the insurance field into this one all-encompassing bill. It is an excellent bill.

Thank you.

THE CHAIR:

Thank you, Senator Ballen. Will you remark further? Senator Ciarlone.

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SENATOR CIARLONE:

Thank you very much, Mr. President. Very quickly, I do want to take this opportunity to applaud Senator Flynn and his committee for coming out with a bill that is very important to the State of Connecticut. I wish again to compliment them for the fast action they've taken on a subject that was of much concern not only to the inner cities of the State of Connecticut but to all of the cities. It's a bill that I think was urgently needed. The bill has not gone as far as it should have, but it's a step in the right direction. I think that the insurance companies do not control and contain themselves to a degree. The legislature will be back next year to amplify and expand on the bill. I would urge all the Members of the Chamber to support this particular bill.

SENATOR STRADA:

Mr. President.

THE CHAIR:

Senator Strada.

SENATOR STRADA:

Mr. President, the issues that were addressed in this bill certainly weren't easy. They were complicated. I also would like to lend my voice to support and commend Senator Flynn and the entire committee for the amount of work they've done for a number of months, really, in presenting this bill to us today. It does address itself to many of the problems that concern the citizens of our state, particularly many of the citizens in my own community in addressing itself to the excessive rates to the termination of agents and to

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cancellation of insurance policies. I think it will go a long way towards correcting these situations and I support the bill.

THE CHAIR:

Thank you, Senator. Are there further remarks to be made?

SENATOR FLYNN:

(Inaudible) a roll call vote.

THE CHAIR:

The Clerk please announce an immediate roll call in the Senate.

THE CLERK:

An immediate roll call has been ordered in the Senate. Would all Senators please be seated. An immediate roll call has been ordered in the Senate. Would all Senators please take their seats.

THE CHAIR:

Question then is on the adoption of bill taken up under Order of the Day as amended by Senate Amendment Schedule A. Machine is open. Please cast your vote. Machine is closed and locked. Total voting 34, necessary for passage 18, there are 34 yeas, there are no nays, the bill as amended is adopted. May I just say, very briefly, and with all the warmth that I can muster that committee work is done. When one Senator is absent from the Chamber, it delays the deliberation holding up all the others. I ask that you stay in the Chamber and be prepared to vote on the measures as they come up. Chair recognizes Senator DeNardis.

SENATOR DENARDIS:

Mr. President, thank you. I wanted to be sure to bring to

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If so, the machine will be locked and the Clerk will please take a tally.

MR. SHAYS (147th):

Thank you, Mr. Speaker. I am in the yes but I want a no vote on this bill. I'd like to change my vote to a no vote.

THE DEPUTY SPEAKER:

Rep. Shays from the 147th would like to have his vote changed from the affirmative to the negative. The Clerk please note.

The Clerk please announce the tally.

THE CLERK:

Total Number Voting.....	142
Necessary for Passage.....	72
Those Voting Yea.....	132
Those Voting Nay.....	10
Those Absent and Not Voting.....	9

THE DEPUTY SPEAKER:

The bill as amended is PASSED.

THE CLERK:

Calendar No. 762, substitute for S.B. No. 387, File Nos. 310, 718, An Act Concerning Regulation of Insurance, as amended by Senate Amendment Schedule "A", favorable report of the Committee on Insurance and Real Estate.

MR. PALMIERI (74th):

Mr. Speaker, I move acceptance and passage of the bill in concurrence with the Senate.

THE DEPUTY SPEAKER:

Question is on acceptance of the joint committee's favorable report and passage of the bill. Would you remark, sir?

MR. PALMIERI (74th):

Yes, Mr. Speaker. The Clerk has an amendment, LCO 8031.

THE DEPUTY SPEAKER:

The Clerk has in his possession Senate Amendment Schedule "A".
Would the Clerk please call the amendment.

THE CLERK:

Senate Amendment Schedule "A", LCO 8031 offered by Senator
Flynn, 17th district.

MR. PALMIERI (74th):

Will the Clerk please read.

THE DEPUTY SPEAKER:

Will the Clerk please read.

THE CLERK:

In line 17, after "parts" strike out the following "by the commissioner" and substitute in lieu thereof: "as the commissioner may deem necessary for the purpose of adequately protecting insured or securing the solvency of such company"

Strike out lines 18 to 20 inclusive in their entirety.

In line 562, before "shall" insert the following: "insuring against loss resulting from liability for damages because of bodily injury or death of any person, injury to or destruction of property arising out of the ownership, maintenance or use of a specific motor vehicle or motor vehicles.

In line 566, strike out "each" and insert the following in lieu thereof: "on or before January 1, 1978 each"

In line 577, after the period, insert the following: "Any modification of such rules and regulations shall be on file with the commissioner for a waiting period of thirty days before it becomes effective."

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MR. PALMIERI (74th):

Mr. Speaker, this is a technical amendment, Mr. Speaker. It clears up the language in the bill and I move its adoption.

THE DEPUTY SPEAKER:

Question is on adoption of Senate Amendment Schedule "A". Would you remark? Would you remark further? If not, all those in favor of Senate Amendment Schedule "A" signify by saying aye. All those opposed? Senate "A" is ADOPTED. Will you remark further on the bill as amended?

MR. PALMIERI (74th):

Yes, Mr. Speaker. This omnibus bill is an attempt to address the serious problem relating to insurance which was brought to the attention of the Insurance Committee during 1976 and 1977. It is not a solution to all of the problems but it goes a long way towards correcting some of the most serious problems facing the insurance ... today. We believe this legislation to be a ... progressive and sensible means of coping with the problems of insurance. All of the members of the committee recognize as I am sure that the other members of this chamber, that the insurance industry represents an important sector of the state's economic well being. Keeping this in mind, the committee set out to achieve a legislative package that would not cause undue hardship on the industry but which would come to grips with some of the more serious inequities of the system that have caused so many of our constituents to ask for help in coping with the problems of insurance costs and availability. We believe that the committee's omnibus bill, S.B. 387, and two companion bills, S.B. 1563 and S.B. 1593, to be heard later, represent precisely the well-balanced package our committee has ought since it began its investigation of the insurance problem of this

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state several months ago. Because of the complexity and the length of this omnibus bill, we will analyze only the highlights of the bill.

The bill changes the method of the insurance commissioner may use to find the ... to be excessive. The present laws undermines the ability of the insurance commissioner to effectively monitor certain types of insurance rate increases since it imposes certain requirements that are virtually impossible to meet. The change made by the bill will not involve any undue hardship on any company whose rates are justifiably based on actuarial demonstrated experience. It will allow the commissioner to deal fairly with any company whose rates are justifiable in relation to their own profit and loss experience.

The bill would extend from one year to eighteen months the length of time an insurer must review all insurance contracts written by an agent who was terminated by the company. This will guarantee policy holders sufficient time to shop around for new coverage which is especially important in their restrictive market situation as is the case today and will force companies to take a closer look at decisions they make about cancelled agents.

The bill also increases the notice requirements with respect to cancellations and non-renewals of automobile and home owners insurance policies and requires reasons to be given to the insured whenever any such policy is cancelled or non-renewed. Generally the committee found that in too many cases, the insureds were receiving too little notice of cancellation or non-renewal of policies. In an insurance market with restricted availability of insurance, a person who is being cancelled or non-renewed needs a reasonable period of time to look around for an insurer who will

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provide the required coverages.

Another problem the committee found regarding cancellations and non-renewals was that people weren't being told why they were being cancelled or non-renewed. We believe that each insured has the right to know why a company decides not to continue providing coverage especially if a decision is made for a reason which has no basis in fact. The changes made by this bill will, we believe, serve the public interest by correcting these long standing problems and the insurance industry would be protected since the bill extends to insurers who furnish insurance with the reasons for non-renewal of auto policies or for cancellation or non-renewal of homeowner policies immunity from civil liability for any such statement that's made to policy holders.

The bill would require an auto insurer to file with the insurance commissioner the underwriting rules and regulations it uses to write auto policies in the state. Presently companies are required to file a former criteria but not the policy or judgement factors it had taken into account in deciding whether to insure certain types of risks. Requiring companies to file these rules with the insurance department will allow the department and the public to know what factors are considered in determining insurability and may, by becoming a public record, force companies to abandon some of the less desirable rules used by some of them.

The bill requires certain information to be filed by the insurance companies with the insurance commissioner which would allow the legislature and insurance department to get a clear idea of the availability of auto insurance in the state and to accurately gauge whether and where market dislocations are occurring and to get a true idea as to how many motorists in this state are uninsured in defiance of the law. We believe

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that this data is necessary to guide the committee, the legislature and the insurance department in the future towards solutions of future problems in the insurance market in Connecticut.

I move its passage.

THE DEPUTY SPEAKER:

Thank you sir. Question is on adoption of the bill as amended by Senate Amendment Schedule "A".

MRS. KIPP (41st):

Thank you Mr. Speaker. I am very very pleased and proud to stand here and support this legislation today. I think Rep. Palmieri has done an outstanding job and I would personally and publically like to compliment him.

If I may just say a few minor words that I think are of utmost importance to those of us that have received numerous complaints, in fact in many cases, too numerous to mention. And under our present law to a large extent undermines the ability of the insurance commissioner to effectively monitor certain types of insurance rate increases. The committee found that a reasonable alternative is to retain all the protections under existing law but to allow the commissioner to find a rate excessive if he finds that either the rate is unreasonably high or that a reasonable degree of competition does not exist. This has been one of our major problems. The change will not involve any undue hardship on any company whose rates are justifiable based on actual demonstrated experience and to prove my point, just today I received yet another letter and I quote, an increase in 38, almost 39%, in the total premium average bodily injury, over 52% property liability, 57½ and so forth and so forth, and I have every reason to hope and believe that this bill before us today will solve

this person's problem as many many more in the state.

I ask for strong support. Thank you Mr. Speaker.

THE DEPUTY SPEAKER:

Would you remark further on the bill?

MR. LA ROSA (3rd):

Mr. Speaker, it gives me great pleasure to rise in support of this piece of legislation for the simple reason that many people in the state of Connecticut, along with the agency system, have really been asked to buy insurance, mandate that they have automobile insurance and yet to find out when it comes to buy it, they have been unable to purchase it at reasonable prices. What is happening here, Mr. Speaker, is that the committee, in its wisdom, has taken a step towards solving the problem for the motorists of the people of the State of Connecticut. We are now asking that the companies on agency terminations, prior to this time had to give a 90 day notice and an agency would have one year in which to renew that particular book of business. What has happened in the past is that while that business was being renewed, the agencies that were doing the renewing were not really given the time and the opportunity to renew it with the least trouble to the person involved. This bill, Mr. Speaker, gives reasons for non-renewal, gives reasons for cancellation, it sets up specific data that is to be used by the insurance departments so that we could address the problem as we should in the near future so that this could be a beginning that maybe in the future we should address ourselves to changing the rate structure of the State of Connecticut so that everyone who is asked to purchase automobile insurance on a personal line basis can do so at a price they can afford and that companies, the insurance industry, should at least entertain the purchase of this automobile insurance at rates

that the people can afford. It's really a pleasure to subscribe to this piece of legislation and I hope it's unanimously adopted.

THE DEPUTY SPEAKER:

Will you remark further on the bill as amended by Senate Amendment Schedule "A"?

MR. STEVENS (119th):

Mr. Speaker, I would commend the insurance committee for bringing out the first of three bills which direct themselves toward serious problems in the auto liability field. The bill before us has been adequately explained. I think the provisions concerning agent protection, reasons for cancellation and requiring the companies to file their rules and regulations for underwriting are significant. In the past year we have had many instances of insurance companies in the State of Connecticut making social decisions behind closed doors and making those decisions their rules and regulations for underwriting purposes. Many of us have had complaints that have established practices whereby divorced women were discriminated against. Volunteer firemen were discriminated against. People living together who were not married were denied insurance for that reason. These are the things that will now have to be brought out into the open and I would suggest the requirement that they be brought out into the open will put a stop to those kind of practices and I think the insurance committee has done an admirable job that will result in more insurance coverage being available for more people in this state and often for people who could not afford to shop around, people who had no one to turn to who were being refused. That won't happen as much now if the rules and regulations are on file as they're going to have to be.

It is indeed a good bill.

THE DEPUTY SPEAKER:

Will you remark further on the bill? Will you remark further on the bill as amended? If not, will the members please be seated, will the staff come to the well of the House. The machine will be open. The machine is still open. Have all the members voted? Have all the members voted? If so, the machine will be locked and the Clerk will please take a tally.

The Clerk please announce the tally.

MR. GIORDANO (99th):

In the affirmative, Mr. Speaker.

THE DEPUTY SPEAKER:

In the affirmative, the Clerk please note.

The Clerk please announce the tally.

THE CLERK:

Total Number Voting.....	145
Necessary for Passage.....	73
Those Voting Yea.....	145
Those Voting Nay.....	0
Those Absent and Not Voting.....	6

THE DEPUTY SPEAKER:

The bill as amended is PASSED.

THE CLERK:

Calendar No. 763, substitute for S.B. No. 65, File Nos. 318, 716, An Act Requiring the Reporting of Burn Injuries.

MR. O'NEILL (34th):

Mr. Speaker, may that item be passed temporarily please.

THE DEPUTY SPEAKER:

You've heard the motion. Any objection to the motion? So ordered.

THE CLERK:

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HEARINGS**

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WALTER GORSKI: I can only imagine that there was a person who had a problem and did not receive a premium notice, was then told to take a medical lab, but I am aware of the situation, I see that sort of inspired this bill, that company did reinstate the policy without requiring medical evidence, we did appreciate what the fact situation was. In other words, that it was it's error and not the insured's error. Any further questions?

SENATOR FLYNN: Yes, I have one more. Where these things lapse, how come these do however, require such an examination before they are reinstated. Can you give me the business reason why they do that.

WALTER GORSKI: O.K. You will be paying your premiums over a number of years and suddenly you decide not to, shortly thereafter or within the five year reinstatement period, it's determined that you have a major illness which either makes you uninsurable or if you were insured standard, your now going to be rated.

The companies would like to know, what your insuring status is and if we would be precluded from seeking this medical evidence, then those individuals who would become extremely rated or uninsurable would all be coming in and they would adverse select against us. A person who doesn't want it still wouldn't be coming in. That's the reason, in effect a reunderwriting of that same policy for health reasons.

SENATOR FLYNN: Any other questions? Any other persons who wish to be heard on this bill? S.B. 387. AN ACT CONCERNING NOTICE OF CANCELLATION OF MOTOR VEHICLE LIABILITY INSURANCE.

JOHN AHEARN: John Ahearn for the Insurance Association of Connecticut. S.B. 387, would require insurers to provide notice of cancellation or nonrenewal of auto policies to the Commissioner of Motor Vehicles. As we said on Friday, February 25th this process on notification would be costly, ineffecient, and unproductive, and for those reasons we would recommend against a favorable report on this bill. Thank you.

SENATOR FLYNN: Questions? Alright, Representative Berman.

REPRESENTATIVE BERMAN: Weighing those reasons, (CANNOT BE TRANSCRIBED, TO MUCH BACKGROUND NOISE)

JOHN AHEARN: We feel that the subcertification program, which is being used by the Motor Vehicle Department now, is suseptable to effecient and productive utilization by the Motor Vehicle Department.

JOHN AHEARN: (Con't.) It's a mechanism which can work. I think it's theoretically sound and I think it's a practical approach. It needs only to be fully utilized. We feel from experience of the industry that goes back many, many years, in several states, Massachusetts, North Carolina, New York State, for example, forms or reinforcement of the mandatory insurance law which involved communication between the state agency charged with registering vehicles and drivers and insurance companies becomes a real bureaucratic mess.

It costs an awful lot of money for this communication and in the final analysis, when the results are reviewed after the end of a years time or five years time, in these states, will find that the percentage of insured versus uninsured population is probably know different from in a state with no means of enforcement at all.

SENATOR FLYNN: Further questions? Thank you, are there other persons who wish to be heard on that? S.B. 502, AN ACT CONCERNING CANCELLATION CERTAIN INSURANCE POLICIES.

JOHN AHEARN: Would you like to continue this procedure? There is almost no one left in the room. I'd be glad to go through in numerical order. The sequence that appears there. All my comments on each of the bills.

SENATOR FLYNN: The only thing is, I don't know who else here is going to testify on the bills? Are there other persons who wish to testify on these bills. Then we prefer you to stay put.

JOHN AHEARN: John Ahearn again, Insurance Association of Connecticut. S.B. 502, establishes a costly hearing procedure for all actual or potential cancellations or nonrenewals, like H.B. 5595, this bill assumes that every person has the right to continue an insurance policy unless he chooses not to renew it. This bill would be costly and would be bureaucratic nightmare. Thank you.

SENATOR FLYNN: Questions?

JOHN AHEARN: The next bill, I believe is 870, and would be objectionable for the same reasons.

SENATOR FLYNN: Are there other person who wish to testify on bill 502? S.B. 870 AN ACT CONCERNING APPEALS CONCERNING TERMINATION OF AUTOMOBILE LIABILITY INSURANCE. Any other testimony on that. H.B. 5162, AN ACT CONCERNING BASIS FOR CANCELLATION OF THE MOTOR VEHICLE POLICY.