Legislative History for Connecticut Act

SB 125 PA 259 1980

House - 4826-4830 5

Senate - 1143-1146, 1280 5

Insurance - 109-115, 126, 141-146 14

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H-266

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1980

VOL. 23
PART 17
4825-5099

DEPUTY SPEAKER FRANKEL:

Please proceed, sir.

REP MORGAN: (56th)

Mr. Speaker, this morning we are in sad and tragic times. Eight American boys lie dead from a mission in Iran. There are now rumors that there may still be some American troops left in Iran. I would ask this body to please rise and observe a moment of silence for the dead in Iran and a prayer for their safety if there are still men left in Iran with our hopes going to them that they arrive back in this country safely where we can welcome them back. Thank you very much. (Period of silence)

DEPUTY SPEAKER FRANKEL:

The members may be seated. Are there further announcements or points of personal privilege?

SPEAKER ABATE:

Will the House please come to order? The Clerk please return to the call of the Calendar.

CLERK:

Calendar, page 3, Calendar No. 472, File 161, Substitute for Senate Bill No. 125, AN ACT PROHIBITING DISCRIMINATION BECAUSE OF DEAFNESS, OR OTHER PHYSICAL OR MENTAL IMPAIRMENT BY INSURERS, as amended by Senate Schedule "A." Favorable Report of the Committee on Insurance and Real Estate.

REP. PALMIERI: (74th)

Mr. Speaker.

SPEAKER ABATE:

Rep. James Palmieri of the 74th Assembly District.

REP. PALMIERI: (74th)

I move the acceptance of the Joint Committee's Favorable Report and passage of the bill.

SPEAKER ABATE:

The question is on the acceptance of the Joint Committee's Favorable Report and passage of the bill. Will you remark, Sir?

REP. PALMIERI: (74th)

Yes, Mr. Speaker. The Clerk has an Amendment LCO No. 3031. Will the Clerk please call and I'll summarize?

SPEAKER ABATE:

The Clerk has in his possession an Amendment LCO No. 3031 previously designated, Senate Amendment Schedule "A". Will the Clerk please call the Amendment?

CLERK:

LCO No. 3031, offer by Senator Murphy of the 19th District.

SPEAKER ABATE:

The gentleman has requested leave of the Chamber to summarize this Amendment in lieu of the Clerk's reading. Is there objection? Is there objection to summarization? Hearing

none, you may proceed to sumarize the Amendment, Rep. Palmieri.

REP. PALMIERI: (74th)

Thank you, Mr. Speaker. The Amendment substitutes the words physical disability or mental retardation which are terms that are defined in the General Statutes in place of the words physical or mental impairment. I move adoption.

SPEAKER ABATE:

The question is on adoption of Senate Amendment Schedule "A". Will you remark further on its adoption? Will you remark further on the adoption of Senate Amendment Schedule "A"? If not, all those in favor of its adoption please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER ABATE:

All those opposed, nay. The ayes have it. The Amendment is adopted and it is ruled technical. Will you remark further on this Bill as amended by Senate Amendment Schedule "A"?

REP. PALMIERI: (74th)

Yes, Mr. Speaker.

SPEAKER ABATE:

Rep. Palmieri.

REP. PALMIERI: (74th)

The 1979 Session of the General Assembly in Public Act

79-310 declared that there be an unfair insurance sales practice by refusing to insure or to continue to insure or limiting the amount, the extent or kind of coverage on that individual solely because of blindness.

This proposed bill now adds deafness and other physical or mental impairment. I move passage of the bill.

SPEAKER ABATE:

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

Will you remark further on the bill as amended, if not would all the members please be seated.

All staff and guests please come to the Well of the House. The machine will be opened.

The House of Representatives is voting by roll at this time. Would the members please return to the Chamber immediately.

Have all the members voted? Would the members please check the roll call machine to determine if their vote is properly recorded?

The machine will be locked. The Clerk will take the tally.

Clerk please announce the tally.

CLERK:

Senate Bill No. 125 as amended by Senate Amendment Schedule "A".

Total number voting	116
Necessary for passage	59
Those voting yea	116
Those voting nay	0
Those absent and not voting	35

SPEAKER ABATE:

The bill as amended passes.

CLERK:

Calendar page 6, Calendar No. 582, File No. 707, Substitute for House Bill No. 5755, AN ACT CONCERNING THE FUNDING OF THE AFDC AND GENERAL ASSISTANCE PROGRAMS. Favorable Report of the Committee on Appropriations.

REP. WRIGHT: (77th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Gardner Wright.

REP. WRIGHT: (77th)

Mr. Speaker, I move for acceptance of the Joint Committee's Favorable Report and passage of the bill.

S-160

CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1980

VOL. 23
PART 4
979-1281

on the consent calendar.

THE CHAIR:

Further remarks on the bill? Objection to placing on consent? Hearing neither, it is so ordered. The Chair at this time would like to invite Senator Cloud of the 2nd District to chair the State Senate. Senator Cloud, please.

THE CHAIR: (Senator Cloud)

Clerk will proceed with the calendar.

THE CLERK:

Going to page 4 of the calendar, Calendar No, 115, File No. 161, Substitute for Senate Bill No. 125. An Act Prohibiting Discrimination Because Of Deafness Or Other Physical Or Mental Impairment By Insurers with a Favorable Report of the Committee on Insurance and Real Estate. The Clerk has an amendment.

SENATOR MURPHY:

Mr. President.

THE CHAIR:

Senator Murphy.

SENATOR MURPHY:

Mr. President, I move acceptance of the joint committee's favorable report and passage of the bill. I believe the Clerk has an amendment.

THE CHAIR:

Proceed with the amendment.

THE CLERK:

The Clerk has Senate Amendment Schedule "A", LCO No. 3031, submitted by Senator Murphy. Copies have been distributed.

SENATOR MURPHY:

Mr. President, I move that the reading of the amendment be waived.

THE CHAIR:

So ordered. Question's on the amendment. Will you remark further, Senator.

SENATOR MURPHY:

Briefly, Mr. President, on the amendment. It changes the language used in the bill coming out of the committee taking out "deafness, or other physical or mental impairment" and using the words, "Physical disability or mental retardation" which is the standard used in other statutes of this type in the general statutes prohibiting discrimination in other fields and also includes the definitions as used in other statutes to apply to this as well and I'd move adoption of the amendment.

THE CHAIR:

Any further remarks? All in favor of the amendment signify by saying aye. All those opposed. The ayes have it. The amendment is adopted. Proceed, Senator.

SENATOR MURPHY:

Mr. President, briefly, what this bill does is prohibit insurance companies from refusing to insure or to continue or to renew insurance for people with these disabilities or to charge

a rate different from the ordinary individual unless they can show that based upon some acturial principles, that there is a reason or a strong basis for there being a difference in the rates, and if there's no objection, Mr. President, I would move it to consent.

THE CHAIR:

Any objection? Senator Cunningham.

SENATOR CUNNINGHAM:

Mr. President, not to object to it being placed on consent, but before it is, I want to direct an inquiry, thru you, to Senator Murphy because of the amendment attached to it. As I would understand the amendment, as the bill as amended, unlike the bill before the amendment, it does not pertain to those whose mental impairment, under the bill without being amended, might be a mental disorder. Am I correct, Senator, thru you, Mr. President, to Senator Murphy, am I correct in assuming that that is one of the effects of the bill now as amended?

SENATOR MURPHY:

Mr. President, thru you, if I have the gist of Senator Cunningham's question, the bill that came out of committee used the word "deafness or other physical or mental impairments," and I don't believe that when we brought it out of committee, we were talking about a mental condition other than mental retardation, that within the terms used in the amendment and the bill now as amended, it would continue to include who fall into the deaf category and would continue to include people who would fall in within the definition in terms of mental retardation, but the

other mental incapacities which might require hospitilation would not be included.

THE CHAIR:

Senator Cunningham.

SENATOR CUNNINGHAM:

Thank you, Mr. President. Thank you.

THE CHAIR:

Any objection to this matter being placed on consent? Hearing none, this matter is placed on consent. Proceed with the calendar.

THE CLERK:

Calendar No. 123, File No. 159, Substitute for Senate Bill No. 375. An Act Concerning Requirements for Subsurface Sewage Disposal System Installer or Cleaner Licenses with a Favorable Report of the Committee on Public Health.

THE CHAIR:

Senator Ciarlone.

SENATOR CIARLONE:

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

THE CHAIR:

Question's on acceptance and passage. Will you remark, Senator?

SENATOR CIARLONE:

Yes, I will Sir. This bill would establish a two year apprentice requirement for applicants for a subsurface sewage disposal

HJ 43, SR 24, SR 25, SB 95, SB 3, SB 636, SB 125, HB 5330, HB 5005, SB 19, SB 546, SB 107, SB 187, SB 371, SB 580, SB 479, SB 164, SB 585, SB 364, SB 327, SB 408, HB 5183, HB 5251, HB 5252, HB 5277, HB 5293, HB 5295, 115. Page 5, Calendar 131, 146, 159. Page 6, Calendar 166, 168. Page 7, 170, 171, 172, 177, 179. Page 8, 181. Page 9, 196, 197. Page 10, 202. Page 11, 213. Page 12, 231, 244, 245, 252. Page 13, 253, 254, 256. Page 14, 264, 267. Page 15, 269, 270, 271, 273. Page 16, 274, 275, 276, 278, 279. Page 17, Calendar No. 284, 285. Page 18, Calendar 287, 288, 289, 290, 291. Page 19, 294, 296, 297. Page 20, 298, 301, 302, 303. Page 21, Calendar No. 305. That concludes today's consent calendar.

HB 5607, SB 548, SB 267, SB 598, SB 599, SB 372, SB 346, SB 347, SB 351, SB 541, SB 567, SB 63, SB 583, SB 584, SB 592, SB 614, SB 670, SB 671, SB 672, SB 707, SB 464, SB 491, SB 493, SB 506, SB 508, SB 509, SB 521

THE CHAIR:

Machine is open. Announce a roll call, Don.

THE CLERK:

Roll call is in progress in the Senate. Roll call in progress in the Senate.

THE CHAIR:

Machine is closed. The Clerk will take a tally. The vote is 34 yeas, 0 nay. The consent calendar is passed. Senator Lieberman.

SENATOR LIEBERMAN:

Mr. President, move for suspension of the rules to allow for immediate transmittal to the House those items that should go to the House.

THE CHAIR:

You've heard the motion. Is there objection? Hearing none. It is so ordered.

JOINT
STANDING
COMMITTEE
HEARINGS

INSURANCE
AND
REAL
ESTATE
1-230

1980
INDEX

CATHERINE DALY: My name is Catherine Daly. I'm representing the Office of Protection and Advocacy for Handicapped and Developmentally Disable Persons. I'm here to speak to you in favor of Senate Bill 125, An Act Prohibiting Discrimination Because of Age, Sex, Marital Status and Other Characteristics by Insurers.

The need for Senate Bill 125 will, I'm sure, be well documented today as it has been in the past. Like other people, handicapped individuals frequently encounter discrimination by insurance companies solely on the basis of their handicap.

Three areas have come to our attention over the past two years.
1. The question of discriminatory practices by companies issuing auto insurance. This issue is currently under study by our office, the Insurance Department and several other agencies representing people with disabilities. The study prompted by numerous inquires and complaints by people who had had difficulty finding insurance at all or at regular market rates.

Secondly, the self-employed parents of mentally retarded children are unable to obtain accident and health policies without paying exorbitant rates. It's our belief that there is no actuarial date which indicates a higher accident or illness rate for persons whose primary and sole diagnosis is mental retardation.

Thirdly, numerous disabled people have complained that they have been denied employment due to insurance considerations. It's unclear whether this is an excuse for employment discrimination or if there is truth to ti. This bill would eliminate such situations.

Finally, I would like to suggest that the phrase "or is related to actual or reasonably anticipated experience" be eliminated. This phrase leaves too much room for interpretation and might damage the intent of the bill.

REP. PALMIERI: Are there any questions?

REP. VANCE: Rep. Vance. Are you going to be turning in that testimony?

MS. DALY: Yes, I am.

REP. VANCE: You were a little fast and I missed the third point. Fine, thank you.

REP. PALMIERI: Phyllis Zlotnick.

PHYLLIS ZLOTNICK: Mr. Chairman, members of the Committee. I am Phyllis Zlotnick of West Hartford and I am speaking on behalf of the Connecticut Association for Retarded Citizens, The Connecticut Easter Seal Society as well as individuals such as myself who have disabilities.

We seek your favorable consideration of Committee Bill 125, An Act Prohibiting Discrimination Because of Age, Sex, Marital Status and Other Characteristics by Insurers. In our case, it is the latter we are concerned with, the other characteristics. That is disability.

For many of us the most difficult handicap we encounter is the myth, the stereotypic image of the disabled person. While it can be frustrating and even painful, we understand the source of these misconceptions and attempt to counteract it by with public education and disability.

One of these myths is the idea that there is an equation between disability and sickness. While some sicknesses can be disabling, it does not necessarily follow in reverse. Every human being has certain criteria which must be met. If he or she is to maximally function. This is also true for handicapped persons.

The requirements for us, however, happen to be more obvious and more vulnerable to misunderstanding. The problem becomes magnified when people with misconceptions are in the position to carry these through to their field of employment. In this case, insurance carriers.

While the Department of Motor Vehicles may fully accept that I can drive a van, an insurance carrier can't understand how it's possible for me to drive. Therefore, we can all be denied or find it very difficult to get automobile insurance. While the disable have as a group a proven reputation for on the job reliability, it is difficult to get health insurance. We are often asked to sign waivers on the job for insurance purposes.

MS. ZLOTNICK: (continued)

Life insurance is virtually impossible to get. Even though we may be healthier than the agents who are denying us. Discrimination does exist and it's frighteningly frequent. While it isn't an either or situation for carriers and realities must be considered, that also holds true that persons with disabilities are not all alike simply because of a label.

I am curious about how carriers came to the conclusion that we are bad risks since they've so rarely actually insured us. It's been said that everyone has some form of a handicap and I sometimes think that carriers suffer from projected actuariolitis, one symptom of which is tunnel vision accompanied by calculators over the left lung. However, I do not really want to put down insurance companies.

They do now employ us and are often helpful in many ways. And I think we've proved ourselves where given the chance. We have some friends who are insurance carriers but the last barrier discrimination in insurance remains and needs to be addressed.

We urge you to report favorably on this bill, even though we are concerned about the loop holes in the last line. Some may feel that including us among the insured will bring rates up. But we know that won't be the case, rather our premiums will end up being used for the so-called normal people who get sick.

REP. PALMIERI: Any questions?

REP. VANCE: Thank you, Phyllis. Do have any backup material, any statistics, any particular situations where there have been rejections of insurance applications?

MS. ZLOTNICK: I think through the Advocacy Office, we do. We've been working on, particularly auto insurance. I know that I cannot get life insurance. Health insurance, the only health insurance I can get is through Blue Cross-CMS. I have been refused.

REP. VANCE: Would you, if there are statistics available, could you see that they are sent to the Committee?

SB 125

MS. ZLOTNICK: I will.

REP. VANCE: Fine. Thank you very much.

REP. PALMIERI: Thank you. Kathy Coffin.

KATHY COFFIN: Hi. My name is Kathy Coffin. I'm director of the City of Hartford's Office for the Handicapped and I come here today to speak on behalf of the Connecticut Coordinating Committee of the Handicapped and National Spinal Cord Injury Foundation and myself.

And I would like to speak in favor of this bill. I'm concerned about the writing on line 29. I'd be much more comfortable if there could be a period put after the word principles and the rest of it left out.

The reason I think that is because it seems to me the way that it's written if that's left in, then we're almost in the same place where we were before. And the information that's being used to determine the rates for people with disabilities is the same information that was used before. So I'd like to see that changed.

The other thing that I think I would like to briefly cover is to reiterate what Phyllis has just said and that is the equating of a physical disability with a disease. And I think it's really important that insurance companies begin to look at people with disabilities as people with a physical impairment that's real and diagnosable but not necessarily health related or disease related. Thank you.

REP. PALMIERI: Thank you, Kathy. Questions? Philip Murphy.

PHILIP MURPHY: Good afternoon. Members of the Committee. My name is Philip Murphy, Jr. I'm counsel for the State of Connecticut Commission on Human Rights and Opportunities and I'm here to testify regarding Raised Committee Bill No. 125. In principle, the Commission on Human Rights and Opportunities is in favor of legislation which would prohibit discrimination in the sale and issuance of insurance in the State of Connecticut based on the protected classifications included in the proposed bill. I note that last year in Public Act 79-310 that the General Assembly prohibited such discrimination with regard to blindless.

MR. MURPHY: (continued)

We do have some problems with the bill, however, as drafted. First of all, it indicates the word solely and because the word solely is in there, an insurance company can discriminate on the basis of more than one group. In other words, if they use race and color or race and sex at the same time, that would be allowed under the proposed bill.

So I would recommend that the word solely be deleted. We would further recommend that the exception beginning on line 28, I guess it is, although the lines have been, where it says, after the individual that the bill should end there. By including the language except where the refusal limitation or rate differential is based on sound actuarial principles or is related to actual or reasonable anticipated experience, you create an exception which in effects swallows the rule. The position of the Commission on Human Rights and Opportunities is that these protected classifications, some of which enjoy constitutional protection in the State of Connecticut, should not be used at all.

Rather other criteria should be developed and used by insurance companies and I note that Commissioner Mike, the Insurance Department has in the area of automobile insurance tried to move towards an elimination of the use of sex and marital status in auto insurance. His efforts in that regard are now tied up in court litigation. But I would recommend strongly that those exceptions be deleted, that the insurance companies be required to develop actuarial criteria and experience criteria that are related to factors other than these protected classifications.

How a person's color or sex should not come in at all to the question of insurance coverage without any question. Other criteria can, are available and can be used by the companies and should be used. I note that discrimination in the area of insurance is presently covered by the Commission on Human Rights and Opportunities as we enforce the Public Commodations Law such in 53-35 of the General Statutes but there has been a question as to whether the Insurance Commissioner can do something in this field. I think that to the extent that this provides additional protection beyond the protection now afforded through the Public Accommodations Law and through the state code of fair practices 4-61 DEF and G. I think it's

MR. MURPHY: (continued)
a welcome addition but would recommend that the language at the end be deleted. Thank you.

REP. PALMIERI: Jeanne Milstein.

JEANNE MILSTEIN: Thank you. My name is Jeanne Milstein. I'm the research analyist at the Permanent Commission on the Status of Women. I am here today on behalf of the Commission to indicate our interest on Raised Committee Bill No. 125, An Act Prohibiting Discrimination Because of Sex, Age, Marital Status and Other Characteristics by Insurers.

The Commission has been working with the Insurance Department on promulgating regulations in this area and we have become very aware of the problems of discrimination in insurance. During the past year, the Commission completed a report on marital dissolution, the economic impact on Connecticut men and women.

The survey revealed that the problems encountered as a result of dissolution and the area of insurance were vast. And had a particularly severe impact on women who were married over 12 years. I have a copy of this report which I will submit to your Committee.

The bill before your Committee does look extremely interesting. Our only concern is that we feel that the bill may not address the reality, that there may sometimes be a conflict between actuarial principles and the basic notion of risk sharing. For example, it may well be that people of a particular disability can actually be demonstrated to not live as long as other people. It appears that it might be possible to argue that this bill might request in our example the requirement of higher insurance provisions for such a person.

Such a result is contrary to the basic principle of risk sharing by all effected groups and to the principle of nondiscrimination. Accordingly, we are concerned that the bill may not far enough. Although we hope that the inclusion of the word sound before the word actuarial should limit the development of discriminatory actuarial techniques, we would urge you to examine this. The Commission would be happy to work with you and Insurance Department in this important matter. Thank you.

REP. PALMIERI: Are there any questions? Thank you. Regina Walsh.

REGINA WALSH: Mr. Chairman, Committee members. I thank you for allowing me to speak. My name is Regina Walsh. The main reason I'm here today is to try to impress upon this Commission the need for a stricter enforcement of our Connecticut insurance laws.

I realize the topic of this hearing is the inclusion of motocycles to the no-fault statute, and I will be speaking on that, Bill 57. But the other points I will be making are pertinant and within your province.

There is a grave need for the no-fault statute applying to motorcycles, not only because of my experience, but because motorcycles are now not only being used as recreational vehicles but as a sole means of transportation for many of our Connecticut citizens during this time of energy shortages.

Last June, I was the passanger on a friend's motorcycle. We were involved in an accident with a van that hit us broadside. Excuse me. I spent 65 days in Hartford Hospital and will carry numerous scars and a maimed leg for the rest of my life.

My medical and hospital bills were horrendous. My friend Linda was killed. And the driver of the van was convicted of making an illegal turn, and negligent homicide. He is given a 6 month probation. He had no insurance, and other than that provision, will receive no penalty.

I realize that a person is now required to show proof of insurance coverage before registering a vehicle. But what is to keep someone from dropping insurance coverage after obtaining vehicle registration.

Some system has got to be set up with the insurance companies are obligated to notify the Motor Vehicle Department when a policyholder cancels his or her insurance. So that a system of checks and balances can be maintained to keep uninusred motorists off the highways.

In my case, through no fault of my own, I am faced with

MR. BROWN: (continued)

With regard to Raised Committee Bill 125 which would make it an unfair practice for insurance companies to discriminate against insureds based on certain characteristics. Though the Statement of Purpose indicates that the bill is aimed at unfair discrimination, neither the title of the bill nor the language of the bill is so qualified and I'm sure that's an oversight and can be easily clarified.

More importantly I think the mention of the drafting was indicated before and I'm not sure exactly what that is but we find what we considered to be a large one.

The bill would actually permit as it's presented this afternoon an insurance company to differentiate amont insureds on the basis of their race, creed, color, national origin or ancestry, provided they had the data to back this up. Insurance companies do not now differentiate among insureds in this manner and should not be allowed to do so. I'm sure this is an oversight but it definitely should be clarified.

And finally, I'd just like to point out that we feel that the Insurance Commissioner under the current practices sections of the statute does have the authority to address any unfair discrimination section where he viewed there is evidence to show that there is in fact unfair discrimination. There is a process for holding a hearing, taking testimony and sanctioning what he finds to be an unfair discriminatory practice in the exact same manner as any practice is clearly spelled out in the statute.

And my last comment is in regard to Raised Committee Bill 285 which I jumped the gun on last week. I gave some brief testimony on it last week and it wasn't on the schedule much to the surprise of the people listening to me. It is on the schedule today.

It concerns Social Security offset provisos. The current prohibition against reducing health insurance benefits as social security benefits increase applies to policies issued after January 1, 1976. This bill would extend that prohibition to many policies which were in effect as of that day. As I indicated last week, we think that as presently drafted,

REP. PALMIERI: John Brodin? Burton Ives ? All right, I'm sure Pat Reilly's here.

PATRICK REILLY: Good afternoon. My name Pat Reilly. I'm Branch Manager of AVCO Credit Corporation, with an office here in Hartford. I've come today to support Bill 404, and ask for an increase in the current rate of 12% as indicated by Mr. Beilman and four other people. It is a definite restriction on our ability to do business in the State of Connecticut.

REP. PALMIERI: Are there any questions?

REP. VANCE: If an individual were applying to a bank for loan for the same purpose, one, do you know if he would be granted the loan, and secondly, do you know what his rate of interest would be currently?

MR. REILLY: The rate of interest, I have no idea. It would be in line probably with the personal lines rates I would imagine. If you're talking about individuals, you would be talking probably personal loans. If your talking about commercial insureds, your asking them to go against their available capital, their lines in the banks, which they usually set up for expansion purposes, which is one of the advantages of using premium financing. Our recourse does not effect their lines with the banks, and our collateral is the unearned premium which the insurance company has been paidup funds. So it doesn't have to effect his line.

REP. VANCE: would the length of loan in your particular company be similar to that which you stated before?

MR. REILLY: It averages out to -- for a one year loan we would not exceed it ten monthly, mainly due to the collateral situation in the policy, and on the average, I would say that it would be approximately 7½ - 8 months on an average.

REP. VANCE: Thank you.

REP. PALMIERI: Richard Schreiber.

RICHARD SCHREIBER: Thank you Mr. Chairman, Sentor Murphy, Rep. Palmieri, members of the Joint Committee on Insurance and Real Estate. My name is Richard B. Schreiber. I'm Deputy Director of Connecticut Commission on the Deaf and Hearing

MR. SCHREIBER: (Continued)
Impaired. I'm presenting a brief statement on behalf of our Commission's Executive Director, Barbara B. and on behalf of the Commission's Chairperson, Gloria White of Norwich.

We're talking about Raised Committee Bill 125, AN ACT PROHIBITING DISCRIMINATION BECAUSE OF AGE, SEX, MARITAL STATUS AND OTHER CHARACTERISTICS BY INSURERS. The Commission on the Deaf and Hearing Impaired created by State Law in 1974, is charged under it's founding legislation to advocate, strengthen, and implement the policies affecting deaf and hearing impaired persons in relation to health care, job opportunity, the general public, and to education.

During it's six years of functioning, our agency has been informed by deaf and hearing impaired persons about alledged onerous motor vehicle insurance rates or special conditions imposed required by insurance companies or companies' agents. Although this information has come to us on incident by incident basis, we have been sufficiently impressed by the specifics of such allegations so as to refer the matter to the insurance division of the State Department of Business Regulation.

Under the leadership of that department, about a year ago, a study group, an interagency study group, was convened to examine the dimensions of the problem of alledged discrimination against handicapped persons in automobile insurance rate setting. The Commission on the Deaf has been regularly represented at these study group meetings.

As far as I know, the study group has not adopted a final finding or recommendation. Nevertheless, information that has come to my attention as an occasional but interested participant in the proceedings of this study effort, include there's a lack of uniform data collection in insurance application forms. There's a lack of uniformity among agents in the use of high risk pools. Substantial variation among agencies and companies exist in seeking information about physically handicapping conditions of drivers.

Lack of statistical data compiled by anybody exists -- I phrased that wrong -- there is no reasonable compliation

MR. SCHREIBER: (Continued)
of statistical data compiled by anybody, including insurers which indicates that physically handicapped drivers as a subset of the total of motor vehicle driving public as a worse personal injury, liability, worse property damage, or worse medical expenses track record resulting from motor vehicle operation than the general public.

Also existing is a lack of statistical information compiled by anyone as to whether any class of handicapping conditions within the entire subset of handicapped drivers has produced motor vehicle operators with worse driving records than the general public. Despite this lack of objective data, those of us who work with, and on behalf of the deaf and hearing impaired people continue to learn client by client, as I am saying, of arrogance and presumptuous manuvers by the insurance industry representatives, which are costly, confusing and insulting to the deaf and hearing impaired customer.

Item - A deaf client completes all the necessary paper work applying for motor vehicle insurance. A policy covering the first quarter of the year is issued. One month after the policy is in effect, the client's home is called. The insurance agent asks a hearing member of the client's family "Just how deaf is she?" Told that the insured is profoundly deaf, that is no hearing even when assisted by electronic amplification, the agent replies, "Well, we'll keep this policy in force one more month, but then we'll have to re-evaluate."

Item - A deaf client needs to change insurance companies because, as he was explaining to us, the company he has used for a number of years, has gone out of business. The client shops around, finds the best rate he can now get is $300 higher than under his former company. Client inquires why this enormous increase. Client is told by agent because he is profoundly deaf.

Item - Husband and wife, both deaf drivers in Connecticut over 20 years have two medium sized cars insured. Husband drives one vehicle 100 percent of the time, wife drives the other vehicle 100 percent of the time. The husband and wife are paying over $1 thousand dollars a year for insurance

MR. SCHREIBER: (Continued)
coverage. We strongly endorse Raised Committee Bill 125. We feel the text of the bill in some measures is redundant. We feel the word solely is contained in the opening part of the definition on Line 25, does the work which is later more specifically illuded to with what appears to be an exception. We, therefore, propose on Line 29, no excuse me, Line 28, beginning with the word, "accept where the refusal and so on" through the end on line 30 that that be struck, and that the discrimination which is prohibited, be clear, and that the basis be solely on those characteristics cited. Thank you very much for your attention.

REP. PALMIERI: Any questions? Thank you Mr. Schreiber. I would like to read into the record the statement from Elizabeth Spaulding. She wants to be registered in favor of Bill 125. Does anyone else wish to speak?

ROBERT TEITENBURG: Yes, I would like to (Inaudible) Rep. Palmieri. (Inaudible) I didn't find the sheet at all. I will be very brief since I'm bringing up the tail end.

My name is Robert A. Teitenburg. I'm a local attorney, practicing in West Hartford. I represent the Alliance of American Insurers which was formerly the American Mutual Insurance Alliance. It's a trade association, comprised of approximately 100 companies. Many of them mutual companies which write a great deal of business in the Connecticut area, as well as across the country. And I don't have a prepared statement. I'm just going to briefly comment on Senate Bill 57 and 284, these are the motorcycle and moped no-fault coverage bills.

The Alliance is opposed to those. We have found that personal injury protection benefits for motorcycle accidents simply cannot be actuarily justified and priced reasonably under no-fault insurance coverage. There are very few accidents involving motorcycles in which the benefits payable under these personal injury protection aspects of the no-fault would not be very high, would not be extremely high. And that is because of the very nature of motorcycle riding increases the hazard of bodily injury.

Consequently, wage laws, disfigurement, and the necessity for rehabilitation would increase the cost a great deal.

MR. TEITENBURG: (Continued)
on these items. Therefore, we are very concerned that almost all motorcycle accidents would satisfy the present no-fault threshold, and thus defeat the very purpose of the threshold being provided in the no-fault coverage.

With regard to Senate Bill 58, this is the lower bill, I cannot speak for every single company that we represent, but to my knowledge, and I think the Insurance Department would probably be the most ready source of quick access for the commission here to find out as to what companies might not write coverage, but I'm quite certain that most of our companies to the great extent, major insurers, provide physical damage coverage for non-owned in the policy itself when the insured is legally liable. This, or at fault, in the particular accident. This bill would shift the insurance burden really from the garage to the consumer, and add one more thing on the consumer. A as a cost of doing business, and it's a cost which the autobodies have already considered when they loan the vehicle, it's included in their rates, and if you're going to transfer the cost of providing that coverage from their vehicle when the insured is not at fault, then you're simply going to increase the cost of your personal coverage, and most of these loaners are older cars which probably the autobody companies wouldn't insure in the first place. I've loaned some from them myself, and I've never driven a nice new car.

With regard to Senate Bill 125, we too, noticed the fact that this bill, as it's actually written, and I'm sure that's probably what you alluded to, would actually give permission for insurers to discriminate by race or creed or color, etc. if they could justify the statistical data. In other words, if they could justify that Catholics have more accidents, and I happen to be Catholic, than statistically they could increase my rates. Well, I don't think any of the companies want that. That would be ludicrist. The purpose of the bill is lauditory, but we do question the need for it, because it is our understanding the rates and such like that, and all of these are pretty well covered by the Insurance Commissioner's Office.

We just don't see a bill being necessary, we do appreciate there can be individual problems in particular circumstances, but to try to lump it all together in this bill, I think it's

MR. TEITENBURG: (Continued)
just too much of a mish mash to accomplish. I have no other positions on any other bills on behalf of the Alliance.

REP. PALMIERI: Does anyone have any questions? Thank you Bob. Does anyone else wish to speak? If not, I will declare the Hearing closed.