

Legislative History for Connecticut Act

HB 6611	PA 98 SCOM	1983
House 2231-2234		(4)
Senate 1748-1749, 1781-1782		(4)
Insurance 58, 87-89, 99		(5)
LAW/LEGISLATIVE REFERENCE DO NOT REMOVE FROM LIBRARY		13

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate and House of Representatives Proceedings

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CONNECTICUT
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES
PROCEEDINGS

1988-1989

1989-1990

1990-1991

VOL. 26
PART 6

2307-2492

kdf

215

House of Representatives

Tuesday, April 19, 1983

CLERK:

House Bill No. 5688.

Total Number Voting 135

Necessary for Passage 68

Those voting Yea 133

Those voting Nay 2

Those absent and not voting 16

SPEAKER STOLBERG:

The bill is passed.

CLERK:

Page 18, Calendar No. 264, File No. 319, Substitute
for House Bill No. 6611, AN ACT CONCERNING MINIMUM FINANCIAL
 RESPONSIBILITY FOR MOTOR VEHICLE OWNERS AND OPERATORS.

Favorable Report from the Committee on Insurance and Real
 Estate.

REP. KARSKY: (4th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Karsky.

REP. KARSKY: (4th)

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

SPEAKER STOLBERG:

Will you remark?

kdf

216

House of Representatives

Tuesday, April 19, 1983

REP. KARSKY: (4th)

Yes, Mr. Speaker. What this bill does is that it increases the minimum coverage for automobile property damage from \$5,000 to \$10,000. Anyone who has been involved in the economy of today regarding the cost of automobiles etc., recognizes that the \$5,000 property damage certainly is not acceptable.

I move acceptance of the bill.

SPEAKER STOLBERG:

Will you remark further on the bill?

REP. JOYCE: (25th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Raymond Joyce.

REP. JOYCE: (25th)

Will the Journal please show that I have been excused from the Chamber because of a possible conflict of interest.

SPEAKER STOLBERG:

The Journal will so note. Will you remark further on the bill?

REP. COHEN: (15th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Cohen.

kdf

House of Representatives

Tuesday, April 19, 1983

REP. COHEN (15th)

May I ask to be excused for possible conflict of interest.

SPEAKER STOLBERG:

The Journal will so note. Will you remark further on the bill? Will you remark further on the bill? If not, will those who have asked to be excused please proceed. Will members please be seated. Will staff and guests come to the well of the House. The machine will be opened.

The House of Representatives is now voting by roll. Will members please return to the Chamber immediately. The House of Representatives is now voting by roll. Will members please return to the Chamber immediately.

Have all the members voted? If so, the machine will be locked and the Clerk will take a tally.

Would the Clerk please announce the tally.

CLERK:

House Bill No. 6611.

Total Number Voting 134

Necessary for Passage 68

Those voting Yeas 134

Those voting Nays 0

Those absent and not Voting 17

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218

House of Representatives

Tuesday, April 19, 1983

SPEAKER STOLBERG:

The bill is passed.

CLERK:

Page 19, Calendar No. 267, House Bill No. 7084, AN
ACT CONCERNING THE LOCATION OF CENTRAL OFFICES AND ANCILLARY
FACILITIES OF STATE GOVERNMENT WITHIN THE CAPITOL CENTER
DISTRICT. Favorable Report from the Committee of the
Government Administration and Elections.

REP. CANDELORI: (23rd)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. William Candelori.

REP. CANDELORI: (23rd)

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

SPEAKER STOLBERG:

Will you remark?

REP. CANDELORI: (23rd)

Yes, thank you, Mr. Speaker. Mr. Speaker, what
this bill does is add two words to the so-called capital
center legislation that would in essence allow more
productability in terms of locating state offices outside
of the designated capital center district area.

S-268

CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1983

VOL. 26

PART 3

469-1849

1983 GENERAL ASSEMBLY

SENATE

TUESDAY
APRIL 26, 1983

115
roc

THE PRESIDENT:

Is there any objection to placing the bill,
as amended, on the Consent Calendar? Hearing none,
the item will go on the Consent Calendar.

THE CLERK:

Cal. 319, File 319. Substitute for House
Bill No. 6611. AN ACT CONCERNING MINIMUM FINANCIAL
RESPONSIBILITY FOR MOTOR VEHICLE OWNERS AND OPERATORS.
Favorable report of the Committee on Insurance and
Real Estate.

THE PRESIDENT:

Senator Baker.

SENATOR BAKER: (24th)

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

THE PRESIDENT:

Will you remark, Senator?

SENATOR BAKER:

Mr. President, under existing law, the minimum
amount of motor vehicle financial responsibility

1983 GENERAL ASSEMBLY

SENATE

TUESDAY
APRIL 26, 1983

116
roc

is twenty thousand dollars for claims for damages to any one person, forty thousand dollars for claims involving more than one person, five thousand dollars for claims due to damage to the property of another. This bill would increase from five thousand dollars to ten thousand dollars the minimum motor vehicle financial responsibility requirement for damage to property. This would only affect about ten percent of the people. Their premiums would go up about two percent. The cost estimate would be about ten dollars per year per car.

If there is no objection, I would move this to the Consent Calendar.

THE PRESIDENT:

Is there any objection to placing the item on Consent? Hearing none, the item will go on the Consent Calendar.

THE CLERK:

The Clerk has Senate Agenda dated Tuesday, April 26, 1983, Page 3.

1983 GENERAL ASSEMBLY

SENATE

TUESDAY
APRIL 26, 1983

148
roc

locked. The Clerk will tally the votes.

RESULT OF THE VOTE: Total Voting is 35.

Necessary for Passage is 18. Voting Yea is 34. Voting
Nay is 1. THE MEASURE IS ADOPTED.

THE PRESIDENT:

Senator Schneller.

SENATOR SCHNELLER:

Mr. President, I wonder if it would be possible at this time to vote on all items that have been placed on Consent up to this point. There are a couple of members that have to leave and they would like the opportunity of voting on the matters that we have taken up to date.

THE PRESIDENT:

The Clerk will make the announcement for a roll call and then proceed with the Consent Calendar.

THE CLERK:

An immediate roll call has been called for in the Senate. Will all senators please take their seats. An immediate roll call has been called for in the Senate. Will all senators please be seated.

1983 GENERAL ASSEMBLY

1782

SENATE

TUESDAY
APRIL 26, 1983

149
roc

The following items have been placed on the
Consent Calendar:

Page 1 - Cal. 167, 177. Page 2 - Cal. 197, SB875, SB850,
HB5229, SB1055,
218. Page 3 - Cal. 234, 235, 237 and 241. Page 5 - SB92, SB131, SB190,
SB991, SB513, SB575,
Cal. 281, 282, 284. Page 6 - Cal. 288. Page 7 - SB744, SB1099, SB911,
SB282, SB946,
Cal. 291, 292, 294, Page 8 - Cal. 299, 301, 302. SB1021, SB742, SB931,
HB5261, SB463, SB583,
Page 9 - Cal. 306, 307, 308. Page 10 - Cal. 309, SB664, HB5669,
HB5692, HB6903,
311, 313. Page 11 - Cal. 315, 316, 317, 318, 319. HB7117, HB7084,
HB5403, HB6611,
Page 12 - Cal. 321, 322. Page 14 - Cal. 337, 338, 339. HB5103, HB5105,
HB5685, HB5686,
Page 15 - Cal. 341, and Cal. 343. HB5687, HB5694,
HB5237

THE PRESIDENT:

Are there any questions on the Consent Calendar,
any requests to remove an item? Hearing none, the
machine is open. Have all senators voted? The machine
will be closed and locked.

RESULT OF THE VOTE: Total Voting is 35.
Necessary for Passage is 18. Voting Yea is 35. Voting
Nay is 0. THE CONSENT CALENDAR, TO DATE, HAS BEEN
ADOPTED.

Senator Casey.

JOINT
STANDING
COMMITTEE
HEARINGS

INSURANCE &
REAL
ESTATE
1-363

1983
INDEX

MR. MEOTTI: (continued)

The third bill dealing in the health insurance area is House Bill 5906 which among several things which are not of issue to us, The bill would direct the Insurance Commissioner to prevent insurance companies from discriminating against persons who have been exposed to DES. I talked to several of our member insurance companies and it is our understanding that insurers would normally never know whether or not a person has been exposed to DES when they purchase health or life insurance. We are not aware of any discrimination or different treatment given to those exposed to DES and if it has been I think it can be dealt with on an individual basis to resolve the situation,

We don't see any need for this particular bill and that provision of the Bill because we don't think discrimination exists today.

There are several bills in which would affect the legislative mandatory minimum auto insurance limits. We have a great deal of concern over increasing the minimum limits for liability coverage in an automobile policy. We think that the decision as to how much insurance someone should buy should be basically determined by them given their own personal financial circumstances. Raising the current \$20,000/\$40,000 liability limits to \$100,000.00 or \$50,000.00 would result in a premium increase because that is giving more coverage and that would be a premium increase for everyone who is currently at those minimum levels. We think that this might, in fact, lead to people deciding they can't afford the insurance policy and might lead to more uninsured drivers.

However, one of the Bills, 6611, would provide for an increase in property damage liability from \$5,000.00 to \$10,000.00. We understand that several municipalities have had damage to street lights and other types of municipal equipment and they don't feel that the \$5,000.00 insurance, the current \$5,000.00 minimum requirement is sufficient. If the Committee thought that this was a good way to address this problem we would have no difficulty with that legislation.

Two bills, House Bill 5762 and 5783 would affect the way the insurance industry deals with the automobile residual market or pool.

MR. OLIGNY: (continued)

laws today are a mockery to our entire legal system. We seriously suggest that there must be a cost effective way of enforcing the state statutes and that a blue ribbon commission be properly approached to design a practical and effective system.

The second bill I will discuss is Senate Bill 123, uninsured motorist coverage. PIA is in opposition to this bill, only because it would deny uninsured motorist coverage to certain individuals. This particular bill sets up a potentially inequitable situation. It says that an insurance company need not pay uninsured motorist benefits to someone under his own insurance policy if he is injured in connection with an uninsured motor vehicle or a motorcycle owned by him or by a family member. We sympathize with the intent of the bill, but we disagree with the approach. True, a person should not be able to purchase coverage on one vehicle and have benefits which would extend to other vehicles in the family which are uninsured.

However, we see a problem with the provision that would not pay if a person is injured in connection with an uninsured vehicle belonging to another family member. How is the injured person responsible for other family members' failure to keep insurance in force. Why should he be denied benefits that would be his if he were injured by a stranger?

The last three bills I will discuss in total, House Bill 5375, 5784, and 6611. PIA is in agreement with these bills with the intent to increase the minimum liability limits. House Bill 5375 deals with uninsured motorist coverage. House Bill 6611 deals with the property damage limit, and 5784 deals with the bodily injury and property damage limits. Of the three bills, PIA favors 5784, which would increase the current limits of 20,000/40,000 bodily injury and 5,000 property damage to the suggested 50,000/100,000 bodily injury and 25,000 property damage. Under this change, motorists would be protected against liability for injuries of one person to the extent of \$50,000 from the present \$20,000 and against liabilities for total injuries of \$100,000 where the present is only \$40,000. There would be a \$25,000 separate limit for damaging someone's property which usually means damaging another person's vehicle, or a number of vehicles. The present 20,000/40,000 bodily injury and 5,000 has been in effect since 1973, 10 years ago. A number of factors have

MR. OLIGNY: (continued)

changed, inflation has doubled, the costs of goods and services for the last 10 years. We also are seeing very large damage suits for bodily injury and property damage, and the juries, are unfortunately in accordance.

In our judgment the particular limit which has suffered the most, recently, has been property damage. How much is \$5,000 worth of protection today? Every new car you and I pass on the street today is worth at least twice that amount. If your committee does nothing else, we would suggest that the Connecticut driver have limits to increase property damage limits to at least \$10,000 by House Bill 6611.

Perhaps a compromise would be to have statutory limits of 25,000/50,000 bodily injury and 10,000 property damage. PIA did propose this limit last year and we still feel that it does afford a viable yet reasonable increase. Likewise, we do not oppose an increase in uninsured motorist from 20,000/40,000 to 40,000/80,000 as proposed by House Bill 5375. However, we do feel this is the least critical of all in view of the additional coverage which is available to the insuring public under accident and health insurance policies.

In contrast though, if you accidentally total out someone's Lincoln Continental, there is no coverage beyond the \$5,000 property damage liability and \$5,000 is truly inadequate today. Thank you.

SEN. BAKER: Yes, Senator.

SEN. HAMPTON: Just a comment in passing. I hope it isn't the Governor's new car. How much, here we're changing large numbers. How much more would it cost the consumer to go from 20,000 to 50,000.

MR. OLIGNY: I'm going to say approximately 10%.

SEN. HAMPTON: You'd increase the whole cost of the policy by 10%.

MR. OLIGNY: His liability premiums only. His bodily injury and property damage --

SEN. HAMPTON: Let's go down through just each one of those items that you listed and what type of an increase are

SEN. HAMPTON: (continued)
you talking about?

MR. OLIGNY: Actually, it's going to depend upon the driver of the vehicle. If we're talking about the average family, we may be able to increase liability limits from 20, 40, 50, 100 for approximately a \$20 bill. Uninsured motorist, to double that limit might cost only \$5 a year. Now I'm not a statistician. I do not know the actual figures, but these are approximations that we see in our every day quotations to our clients.

SEN. HAMPTON: But if we go this route, are we forcing those individuals at the present that buy the insurance policy and pay that first premium, and they never pay anything else. Are you processing it out of the market, really?

MR. OLIGNY: No, I don't believe we are. Not the average individual, because a large percentage of individuals do carry limits of this nature, or higher.

SEN. HAMPTON: Thank you.

SEN. BAKER: Other questions? Thank you.

MR. OLIGNY: Thank you.

REP. KARSKY: Angelo DeMio. Followed by, I think it's Carmela Schneider, Hospital? Charles? It must be a doctor.

MR. ANGELO DE MIO: Mr. Chairman, and members of the Insurance Committee. I'm Angelo DeMio, Executive Director of the Connecticut Podiatry Association. I'd like to thank the Insurance Committee, this is my first meeting with you since last year and your unanimous support of the HMO bill permitting, eliminating restrictions with respect to podiatry. I guess I told Rep. Vance after the passage of this legislation, and with an assist from the Insurance Department, all 27 podiatrists in Fairfield County were invited to join the physicians health services in Bridgeport, so you see, your legislation does help.

I'd like to speak to you today about a bill that is somewhat similar in nature. It's House Bill 5772 and it addresses itself to the unfair insurance acts. As Attorney Hirtle pointed out, it tends to close a one or two of the remaining

MR. TEITENBERG: (continued)

promote better utilization of lost dollars. This is the threshold increasing the medical expense from 400 to \$600. It says nothing--it doesn't keep up with inflation as a matter of fact, but at least it makes an attempt at it.

And we also refer to 5783. This is an attempt to replace the present assigned risk plan with a JUA. We would oppose that and believe that the assigned risk plan is the best mechanism that's available and we see no reason to change it.

5954, this is the Bill on requiring--while in addition--this is the Bill that requires--on repairs of automobile accidents, in addition to reading the Bill and this supplemental payments on unseen damage, and as a former adjuster, there were many cases where unseen damage or damage developed later on on a car that necessitated us to go back, make an adjustment and replace or repair whatever was not found the first time. Many times it pertained to mechanics, with the transmission for instance. I recall a particular case about that. But in this, it's a little more than that as we read the Bill. This Bill suggests a warranty as well, for any automobile that's less than one year old and the insurance carrier doesn't hire the body shop and should not be required really, to give a warranty on a vehicle as we read it.

6011, that's already been referred to. It does increase the cost to everyone if you're going to paint a complete car. Dent a fender, you get \$100.00 to straighten the fender and probably another \$50.00 to paint it. Now, under this provision, if that went through, the cost of a whole paint job right now is right at \$400.00 so that you're increasing costs substantially and you are increasing the value. Hey, if I've got a 1973 Pontiac and it gets dented, and I get a complete paint job out of it, that car is worth a whole lot more.

6611, and that'll be my last one, increasing the PD limits from 5 to 10, obviously necessary. There just can't be any question about it. We do support that. Thank you.