

Legislative History for Connecticut Act

SB 362	PA 70	1986
House	1415-1416, 1809-1810	(4)
Senate	666-667, 780-781	(4)
Insurance and Real Estate	177-182, 214	(7)
		Total 15 P.

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

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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1986

VOL. 29
PART 5
1414-1810

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House of Representatives

Wednesday, April 9, 1986

229, Bill No. 5210, File No. 264. Page 14, Calendar No.
230, Bill No. 5828, File No. 269. Calendar No. 231, Bill
No. 5865, File No. 266. Calendar No. 232, Bill No. 5940,
File No. 259. Calendar No. 233, Bill No. 362, File No.
134.

Page 15, Calendar No. 235, Bill No. 320, File No.
133. On page 16, Calendar No. 241, Bill No. 329, File
No. 137. Calendar No. 243, Bill No. 366, File No. 218.
Calendar No. 244, Bill No. 487, File No. 183. I believe
that's it, Mr. Speaker.

SPEAKER VAN NORSTRAND:

The motion is to place on the consent calendar for
action at the end of the day the items enumerated by Rep.
Esposito. Is there objection.

REP. JAEKLE: (122nd)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Jaekle.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. At the request of a
member I'd like to ask that Calendar 199, House Bill
5959, File 245 be removed from the consent calendar.

SPEAKER VAN NORSTRAND:

It will be so removed, sir.

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House of Representatives

Wednesday, April 9, 1986

REP. ESPOSITO: (137th)

Mr. Speaker.

SPEAKER VAN NORSTRAND:

Rep. Frank Esposito.

REP. ESPOSITO: (137th)

Mr. Speaker, I'd like to amend my former motion on the consent calendar. I'd like to amend the motion to state that we will take final actions on all the items placed on the consent calendar on the next regular session day.

SPEAKER VAN NORSTRAND:

Thank you, sir. The motion is now amended to mean that action on those bills enumerated by Rep. Esposito would be taken at the next regular session day. Is there objection. Seeing none, it is so ordered.

CLERK:

Page 7, Calendar No. 156, Substitute House Bill 6093, File No. 188, AN ACT PROHIBITING HOME IMPROVEMENT CONTRACTORS FROM USING NEGATIVE OPTION SERVICE CONTRACTS. Favorable Report of the Committee on General Law.

REP. DICKINSON: (30th)

Mr. Speaker.

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House of Representatives

Tuesday, April 15, 1986

DEPUTY SPEAKER BELDEN:

All opposed, nay.

REPRESENTATIVES:

No.

DEPUTY SPEAKER BELDEN:

The ayes have it. The resolution is adopted in concurrence with the Senate.

REP. ESPOSITO: (137th)

Mr. Speaker.

DEPUTY SPEAKER BELDEN:

Rep. Esposito.

REP. ESPOSITO: (137th)

Mr. Speaker, I'd like to move for the adoption of the Consent items on today's Calendar, Tuesday, April 15, 1986, which is on pages 1, 2, 3, 4, and the top of 5.

REP. BALDUCCI: (27th)

Mr. Speaker.

DEPUTY SPEAKER BELDEN:

Rep. Balducci.

REP. BALDUCCI: (27th)

Yes, Mr. Speaker. I would just like to remove one Consent item because of an amendment that has been drawn and it's on page 2, Calendar No. 218, Senate Bill

HB 5771, HB 5966,
SB 144, SB 401,
SB 161, SB 103,
SB 185, SB 328,
SB 159, SB 84,
SB 96, HB 5210,
HB 5828, HB 5865,
HB 5940, SB 362,
SB 320, SB 329,
SB 366, SB 487

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House of Representatives Tuesday, April 15, 1986

489, File 124. If that would just be removed from the Consent items.

DEPUTY SPEAKER BELDEN:

Thank you, sir. The motion is for passage of the Consent Calendar as contained on pages 1, 2, 3, 4, and 5 of today's Calendar with the exception of Calendar No. 218, Senate Bill 489, File 124 on page 2, thereof.

REP. METSOPOULOS: (132nd)

Mr. Speaker.

DEPUTY SPEAKER BELDEN:

Rep. Metsopoulos.

REP. METSOPOULOS: (132nd)

Yes, Mr. Speaker. Could you please remove from the Consent Calendar No. 220, File No. 128, AN ACT CONCERNING THE EXAMINATIONS FOR LICENSURE AS A HOMEOPATHIC PHYSICIAN.

DEPUTY SPEAKER BELDEN:

The gentleman has requested removal of Calendar No. 220, Senate Bill No. 325, File No. 128 from the motion made previously. Are there any other items to be removed from the Consent Calendar as so noted. If not, the Consent Calendar is passed.

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it on the consent calendar.

THE CHAIR:

Is there objection to placing this item on the consent calendar?

Hearing none, so ordered. Clerk, will you please call the next item?

THE CLERK:

Page 4, calendar 95, Substitute for Senate Bill 362, File 134.

An Act Concerning Unfair Insurance Trade Practices Relating to
Blindness. Favorable Report of the Committee on Insurance and Real
Estate.

SENATOR SCHOOLCRAFT:

Mr. President, give me a second to break up my folder please.

THE CHAIR:

Certainly, Senator Schoolcraft.

SENATOR SCHOOLCRAFT:

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

THE CHAIR:

Will you remark, Senator?

SENATOR SCHOOLCRAFT:

Yes, Mr. President. This bill prohibits unfair discrimination
by the insurance company solely on the basis of blindness. All other
conditions to the policy would prevail. It's a good bill. It's been
worked out. The insurance companies have no problem with it and if
there's no objection I move it to the consent calendar.

THE CHAIR:

Will you remark further? Is there objection to moving this

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bill to the consent calendar? Hearing none, so ordered.

SENATOR SCHOOLCRAFT:

Thank you, Mr. President.

THE CLERK:

Page 4, calendar 96, Substitute for Senate Bill 365, File 135.

An Act Concerning Notice of Cancellation of Automobile Liability Policies. Favorable Report of the Committee on Insurance and Real Estate.

THE CHAIR:

Senator Schoolcraft.

SENATOR SCHOOLCRAFT:

Mr. President, one second please.

THE CHAIR:

Certainly, Senator Schoolcraft.

SENATOR SCHOOLCRAFT:

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

THE CHAIR:

Will you remark, Senator?

SENATOR SCHOOLCRAFT:

Yes. All this does, it takes existing bill that says cancellations must be given thirty days in advance to a person that they're going to cancel their policy. It is (inaudible) modified it. Now it's forty-five days. It's a compromise that the insurance companies will accept and it's a good bill.

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called by the Clerk. Please give your attention to the Clerk. ^{NB5147} 131
has been separated from the consent calendar and will be taken up
as a separate item. Senator Smith.

SENATOR SMITH:

On calendar 150, do we still have that on the consent calendar, Mr. President?

THE CLERK:

150 was passed on roll call.

SENATOR SMITH:

Okay. Thank you.

THE CHAIR:

All right. We'll take up the individual item that Senator Casey asked to be removed from the consent calendar. The calendar number is 131, Substitute for House Bill No. 5147, File No. 56 and 196 as amended by House Amendment Schedule "A" and, excuse me, as amended by House Amendment Schedule "A" and Senate "A" and "B". The machine is open. Please record your vote. Has everyone voted? Machine is closed. Clerk, please tally the vote. Result of the vote 31 yea, 3 nay, the bill is adopted. As soon as the Clerk is ready please give your attention to the Clerk who will call the matters that were referred to the consent calendar. Mr. Clerk.

THE CLERK:

Page 3, calendar 58, Senate Bill 321. Page 4, calendar 95, Substitute for Senate Bill 362; calendar 96, Substitute for Senate Bill 365; calendar 97, Senate Bill 320; calendar 98, Senate Bill 410; page 5, calendar 104, Substitute for Senate Bill 408; calendar

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105, Senate Bill 157; calendar 107, Substitute for Senate Bill 487.
Page 6, calendar 135, Substitute for House Bill 5323. Page 7, ca-
lendar 136, Substitute for House Bill 5324. Calendar 137, Substi-
tute for House Bill 5795. Calendar 141, Substitute for House Bill
5108. Page 8, calendar 152, Senate Bill 366. Calendar 154, Substi-
tute for Senate Bill 359.

THE CHAIR:

Any changes, omissions? Machine is open. Please record your
vote. Has everyone voted? Machine is closed. Clerk, please tally
the vote. Result of the vote, 34 yea, 0 nay. The consent calendar
is adopted.

THE CLERK:

Before going to Disagreeing Actions, there was a P.T. on ca-
SB 314
lendar 151.

THE CHAIR:

Senator Gunther.

SENATOR GUNTHER:

Mr. President, may we P.R. that please?

THE CHAIR:

Without objection, the item is P.R.'d.

THE CLERK:

Page 10, under Disagreeing Actions, calendar 18, Senate Bill
No. 97, Files 16 and 87. An Act Concerning The Definition Of
"Psychological Services" For Licensing Purposes. (As amended by
House Amendment Schedule "A"). Favorable Report of the Committee
on Public Health.

JOINT
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Insurance and Real Estate

March 4, 1986

MR. FIORE: (continued)
supports.

SEN. HAMPTON: As far as you're aware, no one that has been cancelled as far as your agency is concerned, they are operating with some kind of insurance.

MR. FIORE: Yes.

SEN. SCHOOLCRAFT: Thank you very much, any other questions. Thank you very much, Joe. the next speaker was Cherie Heppe.

MS. CHERIE HEPPE: I think I can shout loud enough to be heard. Sen. Schoolcraft, Rep. Vance, ladies and gentlemen. My name is Cherie Heppe and I am representing the National Federation of the Blind of Connecticut on behalf of our state president Jacqueline Billie who unfortunately took ill recently and was unable to attend. We have written testimony that has been presented to your committee and I'd like to also ask assistance from Mary Brounole president of the Hartford Chapter of the National Federation of the Blind, and from Ben Jones who is the president of the National Federation of the Blind of New Haven.

I'd like to present to you written testimony given by President Billey regarding the committee's consideration of Senate Bill 362 which is a bill to amend section 38-61 of the General Statute to define as an unfair act or practice in the business of insurance, the refusing to insure, or refusing to continue to insure, or limiting the amount, extent or kind of coverage available to an individual or charging a different rate for the same coverage solely because of blindness or partial blindness.

By way of some background the myths and misconceptions about blindness in our society today often manifest themselves in stereotyped thinking which upon reason for examination have no basis in fact. Thus, the blind become victims of unreasonable and detrimental practices which are not supported by reliable evidence. This is how discrimination works against any minority. But the problem is particularly acute for blind people because attitudes of kindness and charity are commonly exhibited toward them. Practices common in the insurance industry exemplify the problem.

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MS. HEPPE:

Discrimination against the blind by insurance companies occurs when blind people are denied coverage or required to pay extra premiums based solely on the grounds of blindness. Sound actuarial statistics do not exist to demonstrate that blindness results in increased risk for insurance carriers. yet, underwriters rules followed by many companies require extra premiums, place limits on coverage to be provided under certain conditions, or deny coverage in some instances altogether.

Some companies will sell their policies at standard rates if blind person is a "healthy, well adjusted individual." But these requirements, whatever they might mean, are not specified for nonblind applicants or policyholders. Many people who have been blind for less than five years were charged a higher rate for insurance on the basis that they were considered to be a higher risk, stated Michael Marchese, Vice President of Governmental Relations, Lincoln National Life Insurance Company, Fort Wayne, Indiana.

Addressing 2,000 blind people at the convention of the National Federation of the Blind, Mr. Marchese said that there were no statistics to back up the fact tht blind people were a higher risk. He went on to explain that part of the naswer has to do with pure economics, and this is kind of a sad story that you already know something about. Those in the market for insurance typically are employed. They want life insurance to protect their family's standard of living against loss of income due to untimely death.

A realtaively small number of blind people fit this description. By some estimates there are about 500,000 blind Americans. Of these, over one half are past retirement age and another 40,000 are under 19. Retirees rarely need to buy insurance. Lincoln National almost never receives an application from a retiree. Those in the younger age classification seldom have dependents or substantial income.

This leaves about 200,000 blind persons in the prime life insurance buying years. Statistics show that the rate of participation in the labor force by the blind is much lower than the general population. Less than 1/4 of

MS. HOPPE: (continued)

working aged visually disabled persons are in the labor force. This compares with a participation rate of almost 3/4's for the U.S. population. Obviously, 60 to 70,000 people then are not a very large market for life insurance. As you can appreciate, gathering data to adequately underwrite life insurance for a given risk category is time consuming and expensive. Like many other insurers, Lincoln National used the potential market for insurance among the blind as too small to command the resources necessary to gather and analyze relevant data says Marchesie.

The need for legislation to prohibit insurance discrimination against the blind has been documented by the National Association of Insurance Commissioners, NAIC, in a model insurance regulation revised in December 1984. The model rule identifies discrimination based on blindness as an "unfair trade practice." NAIC's revised model regulation was issued in December, 1984, after it was found that several insurance companies were continuing to discriminate on the basis of blindness.

As the commissioner noted in the original report accompanying the model regulation, there is no factual basis for the "belief" that blindness constitutes an increased risk. If the blind were actually a greater risk, it would not be a discriminatory practice to charge higher rates or deny coverage. The practice of classifying the blind into a category of increased risk, without any basis in fact, however, constitutes discrimination. Backed by the National Association of Insurance Commissioners' Model Regulation, 35 states have currently enacted laws or regulatory prohibitions relating to insurance discrimination based on blindness.

The parents of 10 year old Brian McGucken from Wallingford, Connecticut were denied insurance from Nationwide for Brian under the same conditions as his brother's and sister's. The reason for the denial was because of a preexisting condition (blindness). The family had to buy insurance for Brian from another company at a much higher rate.

In 1965, Jacquilyn Billey relates, I bought life insurance from Northwestern Insurance Company and was "rated up" because of my blindness. In those days, many handicapped

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MS. HEPPE: (continued)

people were not thinking in terms of discrimination so I simply felt excluded and somewhat angry, but at the same time grateful that I was allowed to purchase insurance at all. I am here today asking -- and we all are here today, asking that we change this for the Brian McGucken's of Connecticut so that they will not have to be denied benefits that are enjoyed by most Americans.

Please vote yes on senate bill 362 so that there may be no reason for discrimination against blind people whatsoever. that is the extent of the prepared text that I have. I would like to ask Ben Jones to (inaudible) his experiences.

MR. BEN JONES: Well similar to Mrs. Billie, several years ago I applied for life insurance. At that time, I had no other conflicting disability and the insurance company still rated my insurance at something like \$5 per thousand for the simple reason that I was blind. There was no other reason. Now, if I had had some other reason at the time I could understand it, but without actuarial proof, without any evidence, it is not right that increases or rates be placed on anybody for insurance. Thank you very much.

: Brevity being the soul of wit, I would add to this, I favor that principal in 362, SB362 (inaudible) because of blindness. Many blind people are more careful and I really, really feel that this is one bill that I hope you will all say yes to.

SEN. SCHOOLCRAFT: Thank you very much. Will you wait a second. I'll see if the committee has any questions. Rep. Swensson.

REP. SWENSSON: My name is Swensson, sir. Cherie, I'm awfully sorry that Jackie Billie isn't here today because you really have a wonderful advocate in that woman. I've never met her. She comes from Manchester and I'm sorry to hear she's ill today. I'm going back a little bit. A couple of years ago we did pass a Resolution, House Joint Resolution 47, equal rights for handicapped and mentally retarded people in the State of Connecticut.

So you've got that on your side. And the other thing that I was going to talk about a little bit we've heard a lot

REP. SWENSSON: (continued)
today on one of the bills on the advocacy. Are you finding in Connecticut -- are they helping you the group for the deaf -- for the blind. Are they helping you at all when you go to them on the state level.

MS. HEPPE: We find we get the most assistance from our own National Federation of Blindness.

REP. SWENSSON: You bet.

MS. HEPPE: We don't -- we find that we are our own best advocates and that's -- whatever the intention the state agency may not be in a position to advocate it successfully for us. And with regard to these insurance discrimination, difficulties that we've been having, this is not a Connecticut problem, it's been going on nationwide and we are at this point, looking to national legislation with our representative Jim in Washington.

And we hope the state can make the solution, but it is not, if we need a solution to this, I'm going to be going into professional practice in another few years and I'm going to need to have insurance for my practice and you know, it's going to concern me, and it concerns already a lot of good people. Also blindness is no discriminatory in terms of economic or social barriers, no respect of any kind of barriers. Anyone can become blind.

And to think of yourself now as a taxpaying individual fully capable of being supportive of your family and then having to go to this other status which is totally out of keeping with the true nature of being blind, we really do feel that this is quite a discrimination.

REP. SWENSSON: Thank you.

REP. VANCE: go ahead, make your comments.

: The protection of advocacy, I don't think what we thought it was going to be. They're new and we have a young man who is studied, well he's been in mechanics and seems to be having a little problem because protection and advocacy doesn't believe that a blind person can do mechanics. This gentlemen is already doing it and has been doing it. It isn't something new and

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REP. : (continued)
they're learning. But we haven't found that protection and advocacy is doing actually what it is supposed to be doing fully.

MS. HEPPE: Are there any other comments regarding the insurance issue that we could answer possibly.

REP. VANCE: I thank you very much.

REP. SWENSSON: Could I ask another question?

REP. VANCE: Have you been a good girl?

REP. SWENSSON: Yes, I've been -- the other question, do you have in your group is there a high rate of accidents of being hurt on the street or anything?

MS. HEPPE: In fact, our accident rate is lower than the national average.

REP. SWENSSON: I though so.

MS. HEPPE: To quite a good degree. In not only our outside travel, I'll tell you this, I'm 32 years old, I've never have had a parking ticket.

REP. SWENSSON: More than most of us could say.

SEN. SCHOOLCRAFT: It's hard to believe that you are 32. I thought you were only 22.

REP. VANCE: I think you'll be pleased to know that the bill is before us through the efforts of Connecticut's Commissionoer Billings and the fact that the National Association of Insurance Commissioners are trying to present this legislstion in each of their states. So we thank you very much for being here to give us the benefit of your testimony and we wish you all well.

MS. HEPPE: Thank you very much.

SEN. SCHOOLCRAFT: And I apologize for that remark. I meant it the other way because you certainly don't look 32.

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MR. LE ROY: (continued)

be the instance where you might want to say whether it is or is not feasible. Senate Bill 362, (inaudible) generally supportive of prohibiting unfair discrimination because of blindness. The NAIC, the National Association of Insurance Commissioners proposed a regulation that we have and supported that around the country. There is one problem with the way the bill is drafted that differs from the model regulation, I believe. And I hate to be presumptuous, but in his remarks to the insurance commissioner -- (inaudible)

The Insurance Commission (inaudible) I believe one change in the language on that, that is when incorporated we would be supportive of as Bill 362.

REP. VANCE: Do you have the suggested language in your written testimony.

MR. LE ROY: I do not, the insurance commissioner.

: The drafting notes of the NAIC model regulation are an integral part of the regulation. Commissioner Gillies' comments on this bill to the committee recognizes those drafting notes.

MR. LE ROY: Of that we would be supportive. On Senate Bill 367 the NAIC opposes SB 367 as now written. This would impose statutory requirements governing accident health insurance companies on health care centers, HMO's. We think that this is a better approach. If in fact, the better regulatory oversight of HMO's we would be willing to entertain that and support that if there are new questions on solvency from companies.

However, we think it should be dealt with within the chapter that now governs health care centers and not be in a chapter of the statutes that was designed to govern an entirely entity on that.

REP. VANCE: May I have clarification on that. I understand that you don't agree with the intent of the legislation you do disagree, however, with the way it has been done?

MR. LE ROY: The intent, as I understand it, from conversations is that the department believes that they