

Legislative History for Connecticut Act

SB 147	PA 250	1989
House	3699-3703, 5088-5099, 9780-9784	21 p.
SENATE	1096, 1110, 1112, 1584-1586, 1615-1616, 1948, 3058-3059, 3151-3152	13 p.
INSURANCE	58-59, 63-64, 79, 127-128, 8	
See verso	140	<u>42 p.</u>

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate
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H-523

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1989

VOL. 32
PART 11
3503-3878

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93

House of Representatives Wednesday, April 19, 1989

CLERK:

The House of Representatives is now voting by roll call. Members kindly report to the Chamber. The House of Representatives is taking a roll call vote. Will members please report to the Chamber.

SPEAKER BALDUCCI:

Have all the members voted and is your vote properly recorded? If so, the machine will be locked. The Clerk please take a tally.

Will the Clerk please announce the tally.

CLERK:

HB5761.

Total Number Voting	145
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Necessary for Passage	73
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Those voting Yea	145
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Those voting Nay	0
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Those absent and not Voting	6
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SPEAKER BALDUCCI:

The bill is passed.

CLERK:

Page 3, Calendar 307, Substitute for SB147. AN ACT
CONCERNING INTEREST PAYMENTS ON HEALTH AND ACCIDENT
INSURANCE CLAIMS.

Favorable Report of the Committee on INSURANCE AND
REAL ESTATE.

tcc

94

House of Representatives Wednesday, April 19, 1989

REP. BIAFORE: (125th)

Mr. Speaker.

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

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

SPEAKER BALDUCCI:

The question is on passage. Will you remark?

REP. BIAFORE: (125th)

Yes, Mr. Speaker, what this bill would do, it would have every insurer report to the commissioner the percentage of claims on which interest was paid and the total amount of interest that was paid and I move for acceptance.

SPEAKER BALDUCCI:

Will you remark further?

REP. BIAFORE: (125th)

What we have found that there are currently under the law claims that are not paid within 45, there are interest payments and what we are trying to find out, basically, what percentage of those claims are not being paid and what was the total amount of interest that was paid.

tcc

95

House of Representatives Wednesday, April 19, 1989

SPEAKER BALDUCCI:

Will you remark further on the bill?
Representative Duffy of the 77th.

REP. DUFFY: (77th)

Thank you, Mr. Speaker. The Clerk has an amendment, LCO5495. I'd ask the Clerk to please call and read.

SPEAKER BALDUCCI:

The Clerk please call LCO5495, designated House "A" and read.

CLERK:

LCO5495, designated House "A", offered by Representative Duffy and Representative Polinsky.

In line 17, before "PERCENTAGE" insert "NUMBER AND"

SPEAKER BALDUCCI:

Representative Duffy.

REP. DUFFY: (77th)

I move adoption.

SPEAKER BALDUCCI:

The question is on adoption. Will you remark, sir?

REP. DUFFY: (77th)

Yes, Mr. Speaker, I think to make the information most usable and clear, I think it's essential that not only the percentage of claims be presented, but the actual number as well, so that anyone looking at the

tcc

96

House of Representatives Wednesday, April 19, 1989

report can tell the number of claims in which interest is paid and the percentage. To have one and not the other can give a false indication that there is either compliance or not compliance within a timely fashion. I think this makes the data that is going to be supplied much more readable and it should be adopted.

SPEAKER BALDUCCI:

Will you remark further on the amendment? Will you remark? If not, we'll try your minds. All those in favor please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER BALDUCCI:

Opposed nay.

The ayes have it.

The amendment is adopted.

Will you remark further on the bill as amended?
Will you remark? If not, staff and guests please come to the well. Members please be seated. The machine will be opened.

CLERK:

The House of Representatives is now voting by roll call. Members to the Chamber. Members to the Chamber please. The House is taking a roll call vote.

SPEAKER BALDUCCI:

tcc

97

House of Representatives Wednesday, April 19, 1989

Have all the members voted and is their vote properly recorded? If so, the machine will be locked. The Clerk please take a tally.

REP. MAZZA: (115th)

Mr. Speaker.

SPEAKER BALDUCCI:

Representative Mazza of the 115th.

REP. MAZZA: (115th)

Thank you, Mr. Speaker, in the affirmative.

SPEAKER BALDUCCI:

Representative Mazza in the affirmative.

The Clerk please announce the tally.

CLERK:

SB147, as amended by House "A".

Total Number Voting 146

Necessary for Passage 74

Those voting Yea 146

Those voting Nay 0

Those absent and not Voting 5

SPEAKER BALDUCCI:

The bill as amended is passed.

CLERK:

Calendar 126, Page 4, Substitute for SB787. AN ACT
CONCERNING FEES OR HONORARIUMS RECEIVED BY PUBLIC
OFFICIALS AND CERTAIN STATE EMPLOYEES AND

H-527

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1989

VOL. 32
PART 15
4931-5266

pat

158

House of Representatives

Thursday, May 4, 1989

The House of Representatives is now voting by roll call. Members, to the Chamber please. The House is voting by roll. Members, please report to the Chamber.

SPEAKER BALDUCCI:

Have all the members voted, and is your vote properly recorded? If so, the machine will be locked. Clerk, please take a tally. Clerk, please announce the tally.

CLERK:

HB7320, as amended by House Amendment
Schedule "A" and Senate Amendment Schedule
"A", in concurrence:

Total Number Voting	143
Necessary for Passage	72
Those Voting Yea	143
Those Voting Nay	0
Those absent and not Voting	8

SPEAKER BALDUCCI:

The bill as amended is passed.

CLERK:

Calendar 307, on page 13, Substitute SB147. AN ACT
CONCERNING INTEREST PAYMENTS ON HEALTH AND ACCIDENT
INSURANCE CLAIMS. (As amended by House Amendment
Schedule "A").

Favorable Report of the Committee on INSURANCE AND

pat

159

House of Representatives

Thursday, May 4, 1989

REAL ESTATE.

Senate rejected House "A" on April 26th.

REP. BIAFORE: (125th)

Mr. Speaker?

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

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

SPEAKER BALDUCCI:

The question is on passage. Will you remark?

REP. BIAFORE: (125th)

Yes. Mr. Speaker, the Clerk has House Amendment "A", LC05495. May the Clerk please call, and may I summarize?

SPEAKER BALDUCCI:

Clerk, please call LC05495, previously designated House "A" and read.

CLERK:

LC05495, previously designated House "A", offered by Representative Duffy.

In line 17, before "percentage" insert "NUMBER AND"

SPEAKER BALDUCCI:

Representative Biafore.

pat

160

House of Representatives

Thursday, May 4, 1989

REP. BIAFORE: (125th)

Yes, the Senate rejected House "A", and at this time, I would move for rejection of House "A" also.

SPEAKER BALDUCCI:

The question is on rejection of House "A". The question is on rejection. Will you remark?

Representative Krawiecki of the 78th.

REP. KRAWIECKI: (78th)

Thank you, Mr. Speaker. A question, through you, to Representative Biafore.

SPEAKER BALDUCCI:

Please proceed, sir.

REP. KRAWIECKI: (78th)

Representative Biafore, can you explain to the Chamber why the Senate decided that House "A" wasn't a useful item to have attached to the bill?

REP. BIAFORE: (125th)

Yes. Mr. Speaker, through you? As we know, there are some companies that have a larger number of policies than others. And, if you put a percentage and the total amount owed, that would be sufficient. If you put the number that was owed, you could get a company that may have a million policies, and if they had 1%, that would reflect a very large number, which could be used to say that they are doing an

pat

161

House of Representatives

Thursday, May 4, 1989

insufficient job, where 1% of a company with only 1,000 policies would look like they were doing a good job.

So, percentages and the total amount of money was felt to be sufficient.

REP. KRAWIECKI: (78th)

And, through you, Mr. Speaker, this information is being provided to the Insurance Commissioner? Is that correct?

REP. BIAFORE: (125th)

Through you, Mr. Speaker, yes.

REP. KRAWIECKI: (78th)

And through you, Mr. Speaker, I assume they have experienced individuals in the Department, who are able to discern that kind of information that you just described as perhaps being confusing? Through you, Mr. Speaker?

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

Through you, Mr. Speaker, in my opinion, yes.

REP. KRAWIECKI: (78th)

And, through you, Mr. Speaker, is there-- I understand the reasoning. Could there possibly be some companies that we are specifically attempting to not collect information on the number of policies that they

pat

162

House of Representatives

Thursday, May 4, 1989

are involved in on an annualized basis? I suppose in a sceptical fashion, I ask the question. Through you, Mr. Speaker?

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

Through you, Mr. Speaker, no.

REP. KRAWIECKI: (78th)

And through you, Mr. Speaker, does the amendment do any harm to the bill?

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

It may not do harm, but I think it would be better to have it the way it was originally intended, than to put this amendment on that says "number and".

SPEAKER BALDUCCI:

Representative Krawiecki.

REP. KRAWIECKI: (78th)

And through you, Mr. Speaker, Representative Biafore, when we last had this bill before us, did you support the amendment?

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

pat

163

House of Representatives

Thursday, May 4, 1989

It was by voice vote, and not really.

REP. KRAWIECKI: (78th)

Thank you, Representative Biafore. I happen to think the amendment is very good amendment. And, I don't know who got to who in the Senate, but when Representative Polinsky and Representative Duffy offered the amendment in this Chamber the last time around, it seemed to provide a very important and useful piece of information. I can't see any reason why we wouldn't want to know the number and percentage, because all of us certainly understand that with numbers, you can fool around a great deal.

I suspect that since we have an extraordinarily capable Insurance Commission, made up of individuals that are able to discern information like this, that being provided the number and the percentage of the policies that are coming into play, make an awful lot of sense and certainly seems to be a much more useful piece of information, rather than simply the percentage. Because Representative Biafore gave us one side of the coin, where you might have an awfully large number of policies, and therefore a very small percentage. You might have the impression that somebody is doing a particularly bad job.

I would give you the converse for the reason why

pat

164

House of Representatives

Thursday, May 4, 1989

you want the amendment, and that is that you might have somebody who is not doing an awfully large number, with an extraordinarily low percentage, and yet is doing is very bad job. I think the amendment is very useful. I would encourage the Chamber to leave the amendment intact.

SPEAKER BALDUCCI:

Will you remark further on the amendment?

Representative Belden.

REP. BELDEN: (113th)

Thank you, Mr. Speaker. Ladies and gentlemen, I believe that Representative Biafore had indicated that the number, by putting the number in here, would in fact tell somebody how many total policy holders there were, but that is not a requirement in the file, with or without the amendment. The amendment requested the number of claims to which interest was being paid, as did the original file, which only asked for the percentage.

Now, we are all mathematicians here, and I am sure that the percentage would tell us that it may be one claim out of ten, and therefore, we have a 10% of the claims having to have interest paid on them. I think it would be very beneficial to everybody if they in fact knew that there were ten claims that had interest

pat

165

House of Representatives

Thursday, May 4, 1989

paid, and that equaled to 10%, which means that that company sold 100 policies in this state. It's as simple as that.

I think the amendment was very beneficial to everyone and just saved a lot of Sherlock Holmes activity in order to determine what was really happening. And I would encourage the membership to oppose rejection of House "A".

SPEAKER BALDUCCI:

Will you remark further on the amendment? Will you remark?

REP. BIAFORE: (125th)

Yes, Mr. Speaker?

SPEAKER BALDUCCI:

Representative Polinsky of the 38th.

REP. POLINSKY: (38th)

Thank you, Mr. Speaker. As I recall, this was Representative Duffy's and my amendment, and we put it in for a very good reason. And, I think it has been articulated by - much to my surprise - the other side of the aisle. You can do an awful lot with numbers, and you can hide behind them. And, when you are doing percentages, it's very nice and in some instances very necessary.

When you are looking at raw data, you get far more

pat

166

House of Representatives

Thursday, May 4, 1989

information. And I would think that if there were those paid lobbyists on the third floor who worked hard to get this amendment removed, it's probably a darn good reason for us to put the darn thing back in. So, with that, sir, with that said, I would urge that we keep House Amendment "A", even though it may put us in a Disagreeing Action, a conflicting action with the Senate.

Thank you.

REP. BIAFORE: (125th)

Mr. Speaker?

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

Mr. Speaker, again, let me say that I do not think that we need the amendment. I think it is, could be used in an unfair manner. There are companies that do have a great deal of insurance policies, and if they do have only 1% of which they are paying interest on, and the total amount is an insignificant amount of money, but that 1% could equal 100,000 policies. It isn't fair to that company, because more than likely, that was the figure that would be released.

I feel so strong about us rejecting this amendment, Mr. Speaker, that when the roll is taken, I would hope

pat

167

House of Representatives

Thursday, May 4, 1989

that it be taken by roll.

SPEAKER BALDUCCI:

The question is on a roll call vote. All those in favor, please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER BALDUCCI:

That certainly resolves that. When the vote is taken, it will be taken by roll. Will you remark further on the bill? Excuse me. Will you remark further on the motion to reject? Will you remark further on the motion to reject House "A"? If not, staff and guests, please come to the Well. Members, please be seated. The machine will be opened.

CLERK:

The House is voting by roll call. Members, report to the Chamber. The House is taking a roll call vote. Members, to the Chamber, please.

SPEAKER BALDUCCI:

Just to remind the members that a green or yes vote is supportive of rejection of House "A". A red or a negative vote is not to reject House "A".

Have all the members voted? Have all the members voted, and is your vote properly recorded? If so, the

pat 168
 House of Representatives Thursday, May 4, 1989

machine will be locked. Clerk, please take a tally.
 Clerk, please announce the tally.

CLERK:

House Amendment Schedule "A" to SB147,

On the Motion to Reject:

Total Number Voting	145
Necessary for Rejection	73
Those Voting Yea	64
Those Voting Nay	81
Those absent and not Voting	6

SPEAKER BALDUCCI:

The motion to reject House "A" fails.

Representative Biafore. Representative Biafore, will
 you remark? Will you remark further on the bill?
 If not, staff and guests, please come to the Well.
 Members, please be seated. The machine will be opened.

CLERK:

The House of Representatives is now voting by roll
call. Members, please report to the Chamber. The
 House is voting by roll. Members, to the Chamber
 please.

The House of Representatives is voting by roll.
 Members, please report to the Chamber. Members, to the
 Chamber please. The House is voting by roll.

SPEAKER BALDUCCI:

pat

169

House of Representatives

Thursday, May 4, 1989

Have all the members voted, and is your vote properly recorded? If so, the machine will be locked.

Clerk, please take a tally.

REP. MAZZA: (115th)

Mr. Speaker?

SPEAKER BALDUCCI:

Representative Mazza.

REP. MAZZA: (115th)

Thank you, Mr. Speaker. In the affirmative, please.

SPEAKER BALDUCCI:

Representative Mazza of the 115th, in the affirmative.

Clerk, please announce the tally.

CLERK:

SB147, as amended by House Amendment

Schedule "A":

Total Number Voting 145

Necessary for Passage 73

Those Voting Yea 143

Those Voting Nay 2

Those absent and not Voting 6

SPEAKER BALDUCCI:

The bill as amended is passed.

CLERK:

H-540

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1989

VOL. 32
PART 28
9661-9980

pat

245

House of Representatives

Friday, May 26, 1989

SB506, Calendar 438, as amended by House

Amendment Schedule "A":

Total Number Voting 141

Necessary for Passage 71

Those Voting Yea 144

Those Voting Nay 0

Those absent and not Voting 10

SPEAKER BALDUCCI:

The bill as amended is passed.

CLERK:

Page 11, Calendar 307, Substitute SB147. AN

ACT CONCERNING INTEREST PAYMENTS ON HEALTH AND ACCIDENT
INSURANCE CLAIMS. (As amended by House Amendment
Schedule "A").

Favorable Report of the Committee on INSURANCE AND
REAL ESTATE.

Senate rejected House "A" on April 26th.

House re-adopted House "A" on May 4th.

Committee on Conference.

REP. BIAFORE: (125th)

Mr. Speaker?

SPEAKER BALDUCCI:

Representative Biafore of the 125th.

REP. BIAFORE: (125th)

Mr. Speaker, I move for acceptance of the Committee

pat

246

House of Representatives

Friday, May 26, 1989

on Conference Report and passage of the bill.

SPEAKER BALDUCCI:

The question is on passage. Will you remark, sir?

REP. BIAFORE: (125th)

Yes, Mr. Speaker. The Committee has met, the Committee on Conference has agreed to reject House "A". I believe it was unanimous, and I move for adoption of the bill.

SPEAKER BALDUCCI:

The question is on passage of the bill. Will you remark? Representative Belden.

REP. BELDEN: (113th)

Thank you, Mr. Speaker. The Committee on Conference Report that I received has attached to it what looks to me like Proposed Bill 148. Does that proposed bill have any relationship to the Committee on Conference Report? Through you, Mr. Speaker?

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

The bill itself had two file numbers. It was originally SB147 and then later-- I am sorry. It was File 260, and then was changed to File 473, but it is all related to the same bill.

SPEAKER BALDUCCI:

pat

247

House of Representatives

Friday, May 26, 1989

Representative Belden.

REP. BELDEN: (113th)

Mr. Speaker, I will ask my question again. My Committee on Conference Report has attached to it what was the original proposed bill, SB148, by Senator Powers concerning this subject. I just wonder if that has any relationship at all to the Committee on Conference Report.

SPEAKER BALDUCCI:

(Gavel) The Chamber, please come to order. Representative Belden is trying to pose a question.

REP. BIAFORE: (125th)

Through you, Mr. Speaker?

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

It has no relationship to the bill at all.

SPEAKER BALDUCCI:

Representative Belden.

REP. BELDEN: (113th)

Through you, then Mr. Speaker, then I would assume that it is erroneously attached, and it should be torn away from the Committee on Conference by the Clerk?

Through you, Mr. Speaker?

REP. BIAFORE: (125th)

pat

248

House of Representatives

Friday, May 26, 1989

Through you, Mr. Speaker, you are correct.

REP. BELDEN: (113th)

Thank you, Mr. Speaker. One other question then. I assume for the membership, what the Committee on Conference has done is returned, has recommended to this body to accept what was File 260. Through you, Mr. Speaker, to the gentleman. Is that correct?

REP. BIAFORE: (125th)

Through you, Mr. Speaker, you are correct.

REP. BELDEN: (113th)

Thank you.

SPEAKER BALDUCCI:

Will you remark further on the bill? Will you remark? If not, staff and guests, please to the Well. Members, please be seated. The machine will be opened.

CLERK:

The House of Representatives is voting by roll.
Members, report to the Chamber. The House is voting by roll call. Members, to the Chamber please.

The House of Representatives is now voting by roll call. Members, please report to the Chamber. Members, to the Chamber please. The House is voting by roll.

SPEAKER BALDUCCI:

Have all the members voted, and is your vote properly recorded? If so, the machine will be locked.

pat

249

House of Representatives

Friday, May 26, 1989

Clerk, please take a tally. Clerk, please announce the tally.

CLERK:

Committee on Conference, SB147,	
Committee on Conference Report No. 4:	
Total Number Voting	146
Necessary for Passage	74
Those Voting Yea	146
Those Voting Nay	0
Those absent and not Voting	5

SPEAKER BALDUCCI:

The report is passed.

CLERK:

Page 13, Calendar 585, Substitute HB5185. AN ACT CONCERNING VEHICLES BEARING COMBINATION PLATES ON THE MERRITT AND WILBUR CROSS PARKWAYS.

Favorable Report of the Committee on APPROPRIATIONS.

REP. LYONS: (146th)

Madam Speaker?

DEPUTY SPEAKER POLINSKY:

Representative Lyons.

REP. LYONS: (146th)

Thank you, Madam Speaker. I would move for acceptance of the Joint Committee's Favorable Report

S-290

CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1989

VOL. 32
PART 3
741-1136

WEDNESDAY
April 12, 1989

1096
14
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Calendar 170 is marked Passed Temporarily.

Calendar 176, Substitute SB870, I move to the foot of the Calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR O'LEARY:

Calendar 177, Substitute SB731, I move to the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR O'LEARY:

Calendar 178, Substitute SB147, I move to the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR O'LEARY:

Page 7, Calendar 179, Substitute SB869, I move to the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR O'LEARY:

Calendar 180, Substitute SB728, I refer to the Committee on Appropriations.

THE CHAIR:

Without objection, so ordered.

WEDNESDAY
April 12, 1989

28
aak

SB725, Calendar Page 5, Calendar 166, Substitute SB769.
Calendar 168, SB871. Calendar Page 6, Calendar 169,
Substitute SB849. Calendar 177, Substitute SB731.

Calendar 178, Substitute SB147. Calendar Page 7,
Calendar 179, Substitute SB869.

Calendar Page 9, Calendar 191, Substitute HB7285.
Calendar 192, Substitute HB7348. Calendar Page 10,
Calendar 196, Substitute HB6068. Calendar 195,
Substitute HB7325. Calendar 199, HB7192. Calendar
200, Substitute HB7264.

Calendar Page 11, Calendar 202, HB7341. Calendar
204, Substitute HB7375. Calendar 205, Substitute
HB5985. Calendar 206, Substitute HB6789. Calendar
Page 12, Calendar 207, Substitute HB6793. Calendar
210, Substitute for HB7473.

THE CHAIR:

Any changes or omissions? Senator Smith.

SENATOR SMITH:

Thank you, Mr. President. Just a clarification. I
think the Clerk may have inadvertently identified one
of the Consent items on Page 10 as 195. I suspect that
is 197, is that correct?

THE CLERK:

What page?

THE CHAIR:

WEDNESDAY
April 12, 1989

30
aak

Any changes or omissions? The machine is open.
Please record your vote. Senator Daniels. Has
everyone voted? The machine is closed. Clerk please
tally the vote.

The result of the vote:

35 Yea

0 Nay

The Consent Calendar is adopted.

Senator McLaughlin.

SENATOR MCLAUGHLIN:

Thank you, Mr. President. Briefly, I would just
like to make a special point of personal privilege to
the members. I'm not sure of my exactness of my
remarks, but a special visitor is here today. My
sister and my brother-in-law, Mr. & Mrs. Vincent Bowe.
I don't think they have been up here in the 9 years
that I have been here to pay a visit. I guess my
sister, Meghan has once, and I would like to welcome
them. (Applause)

THE CHAIR:

Call the next item please.

THE CLERK:

Returning to Calendar Page 1, Calendar 173, SJ37,
RESOLUTION CONFIRMING THE NOMINATION OF JOHN DONNELLY,
M.D. OF WEST HARTFORD, TO BE A LAY MEMBER OF THE

S-292

CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1989

VOL. 32
PART 5
1510-1902

WEDNESDAY
April 26, 1989

117
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Without objection, so ordered.

THE CLERK:

Calendar 178, Files 260 and 473, Substitute SB147,
AN ACT CONCERNING INTEREST PAYMENTS ON HEALTH AND
ACCIDENT INSURANCE CLAIMS. As amended by House
Amendment Schedule "A". Favorable Report of the
Committee on INSURANCE AND REAL ESTATE.

THE CHAIR:

Senator Powers.

SENATOR POWERS:

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

THE CHAIR:

Will you remark?

SENATOR POWERS:

Yes, Mr. President. I would like to first, if it
is appropriate, to urge rejection of House Amendment
"A".

THE CHAIR:

Motion is to reject House Amendment Schedule "A".

Do you wish to remark?

SENATOR POWERS:

Thank you, Mr. President. This amendment would
require that insurers report the number of claims in

WEDNESDAY
April 26, 1989

118
aak

which interest is paid. I think that kind of distorts the purpose of the bill. You would get the large insurers and small insurers. The large insurers probably reporting many names. The small insurers reporting just a few. It has nothing to do with their percentage and I don't think it's an accurate description of what we are trying to get...the information we are trying to get, so I would urge its rejection.

THE CHAIR:

Motion is to reject House "A". Further remarks?

All those in favor of rejection, indicate by saying Aye.

SENATORS:

Aye.

THE CHAIR:

Opposed? The motion to reject is adopted. We are now on the bill.

SENATOR POWERS:

Thank you, Mr. President. The bill as is without House Amendment "A" requires that any insurer report to the Commission on an annual basis the percentage of claims that are paid late and I would urge its adoption Mr. President. If there are no objections I would like that this be placed on the Consent Calendar.

WEDNESDAY
April 26, 1989

119
aak

THE CHAIR:

Without objection, so ordered.

THE CLERK:

Calendar Page 17....first item Committee on
Conference, Mr. President, was indicated a Go.
However, I don't believe the Committee on Conference
has yet been appointed.

THE CHAIR:

The Chair appoints Senators Powers, Johnston and
Benvenuto.

THE CLERK:

Calendar 303, Emergency Certification, SJ40,
RESOLUTION MEMORIALIZING CONGRESS TO AFFIRM THE
SUBSTANTIVE AND OPERATIONAL EFFECT OF THE TENTH
AMENDMENT TO THE UNITED STATES CONSTITUTION. The
Resolution is accompanied by Emergency Certification.

THE CHAIR:

Senator Maloney.

SENATOR MALONEY:

Yes, thank you, Mr. President. I would request
adoption of the Resolution.

THE CHAIR:

Will you remark?

SENATOR MALONEY:

Yes. Mr. President, the founding fathers intended

WEDNESDAY
April 26, 1989

149
aak

THE CHAIR:

Senator O'Leary.

SENATOR O'LEARY:

Mr. President, I would like to change the marking on any items marked Passed Temporarily to Passed Retaining.

THE CHAIR:

Without objection, so ordered. We now have Consent Calendar #3. Clerk please make an announcement for immediate roll call on Consent Calendar #3.

THE CLERK:

Immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber. Immediate roll call has been ordered in the Senate on the third Consent Calendar. Will all Senators please return to the Chamber.

THE CHAIR:

Please give your attention to the Clerk who will read the items that have been referred to Consent Calendar #3.

THE CLERK:

Consent Calendar #3 begins on Calendar Page 3, Calendar 170, Substitute SB850. Calendar Page 13, Calendar 314, HB5396. Calendar Page 16, Calendar 59, Substitute SB787. Calendar 131, SB895. Calendar 139,

WEDNESDAY
April 26, 1989

1616
150
aak

SB780. Calendar 178, Substitute SB147. Calendar Page
17, Calendar ^{HB 7602} 304. Mr. President, that completes the
third Consent Calendar.

THE CHAIR:

Are there any changes or omissions? The motion is
to adopt Consent Calendar #3. The machine is open.
Please record your vote. Has everyone voted? The
machine is closed. Clerk please tally the vote.

The result of the vote:

36 Yea

0 Nay

The third Consent Calendar is adopted.

THE CLERK:

Mr. President, there is no further business on the
Clerk's desk.

THE CHAIR:

Senator O'Leary.

SENATOR O'LEARY:

Mr. President, if there are no other announcements,
we will...I will make the motion to adjourn. We are
going to meet next week on Wednesday, with a Senate
Democratic Caucus at 12:00 noon, Session at 1:00 and
tentatively we will schedule a Session for Thursday.

THE CHAIR:

Senator Maloney.

S-293

CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1989

VOL. 32
PART 6
1903-2292

1948

WEDNESDAY
May 10, 1989

141
aak

that it be placed on the Consent Calendar.

THE CHAIR:

Without objection, so ordered. The Chair announces on the Committee on Conference on Calendar ^{SB147} 178 the Committee members are Senators Powers, Johnston and Benvenuto.

THE CLERK:

Mr. President, that completes the call of those items marked Go at the beginning of the day. However, there are two other items that were marked Passed Temporarily, that I believe are ready to Go.

Turning to Calendar Page 17, Calendar 183, File 272 and 622, Substitute SB592, AN ACT CONCERNING AUTOPSY REPORTS. As amended by House Amendment Schedule "A". Favorable Report of the Committee on JUDICIARY. Clerk is in possession of two amendments.

THE CHAIR:

Senator Atkin.

SENATOR ATKIN:

Mr. President, I move acceptance of the Joint Committee's Favorable Report, passage of the bill and rejection of House Amendment Schedule "A".

THE CHAIR:

The motion is to reject House Amendment Schedule "A". Do you wish to remark?

S-296

CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1989

VOL. 32
PART 9
2916-3261

WEDNESDAY
May 31, 1989

142
aak

Calendar Page 24, Committee on Conference, Calendar 178, File 260 and 473, Substitute SB147, AN ACT CONCERNING INTEREST PAYMENTS ON HEALTH AND ACCIDENT INSURANCE CLAIMS. As amended by House Amendment Schedule "A". Favorable Report of the Committee on INSURANCE AND REAL ESTATE. The Senate rejected House Amendment Schedule "A". The House then readopted House Amendment Schedule "A". The Committee on Conference has met. The Committee on Conference has met, it has recommended to reject House Amendment Schedule "A". The Committee Conference report was unanimously adopted.

THE CHAIR:

Senator Mark Powers.

SENATOR POWERS:

Thank you, Mr. President. I move acceptance of the Committee on Conference's Report and adoption of the report, Mr. President.

THE CHAIR:

And will you remark, Senator?

SENATOR POWERS:

Thank you, Mr. President. This is another bill that has been before us in the Senate and we have supported the version that the Conference Committee has unanimously endorsed and that is to require that

WEDNESDAY
May 31, 1989

143
aak

companies supply to the Insurance Department on an annual basis the percentage of claims that have been paid late. I would urge adoption by the Circle.

Mr. President, if there is no objection, I would move this to the Consent Calendar also.

THE CHAIR:

Further remarks? The bill will be placed on the Consent Calendar.

THE CLERK:

Calendar Page 27, Favorable Reports, Matters Reported in Accordance with Petitions. Calendar 503, File 771, HB6241, AN ACT CONCERNING THE CONNECTICUT ONLINE LAW ENFORCEMENT COMMUNICATIONS TELEPROCESSING SYSTEM. Favorable Report of the Committee on APPROPRIATIONS. The Clerk is in possession of one amendment.

Returning to the Committees on Conference I overlooked one matter marked Go. Page 26, Calendar 439, File 594 and 698, Substitute HB5319, AN ACT CONCERNING THE ENERGY CONSERVATION LOAN PROGRAM. As amended by House Amendment Schedule "A". Favorable Report of the Committee on FINANCE, REVENUE AND BONDING. The Senate rejected House Amendment Schedule "A" and the House readopted Senate Amendment Schedule "A". The Committee on Conference has met and agreed to

WEDNESDAY
May 31, 1989

235
aak

THE CHAIR:

I think I would want to consult the Rule. I think you have a perfect right to remove it, but I think I read somewhere in the rules that it requires immediate roll call.

The two items are removed from the Consent Calendar. Are there any changes or omissions? The machine is open. Please record your vote. Excuse me, had you finished ready? I'm sorry.

THE CLERK:

Mr. President, I had not yet read the Consent Calendar.

THE CHAIR:

I think you had up to a certain point.

THE CLERK:

Mr. President, the first Consent Calendar begins on Page 2, Calendar 176, Substitute SB870, Calendar 331, Substitute SB249. Calendar Page 4, Calendar 413, SB677.

Calendar Page 6, Calendar 482, HB7382. Calendar Page 12, Calendar 532, Substitute HB7119. Calendar Page 17, Calendar 89, Substitute SB753. Calendar Page 19, Calendar 491, Substitute SB925. Calendar Page 20, Calendar 246, Substitute SB1008.

Calendar Page 21, Calendar 268, SB760. Calendar

WEDNESDAY
May 31, 1989

236
aak

300, Substitute HB7355. Calendar Page 22, Calendar 318
Substitute HB6882. Calendar 372, SB985. Calendar Page
23, Calendar 376, Substitute SB999. Calendar Page 24,
Calendar 178, Substitute SB147.

Calendar Page 26, Calendar 439, Substitute HB5319.
Calendar Page 27, Calendar 503, HB6241. Mr. President,
I believe that completes the first Consent Calendar.

THE CHAIR:

Are there any changes or omissions? The machine is
open. Please record your vote. Has everyone voted?
The machine is closed. Clerk please tally the vote.

The result of the vote:

35 Yea

0 Nay

The first Consent Calendar is adopted.

There are two items that were removed. The Chair
rules that once they are removed they are subject to a
motion and I understand in one instance the mover asked
that it be Passed Retained. Now, Senator Avallone,
what do you want to do with your particular item? Pass
Retain, also. One said Passed Temporarily. Your's is
SB 1051 SB 994
Pass Retained and Senator Przybysz...he's left.

Senator O'Leary.

SENATOR O'LEARY:

Mr. President we will mark that Pass Temporarily.

JOINT
STANDING
COMMITTEE
HEARINGS

INSURANCE AND
REAL ESTATE
PART 1
1-375

1989
INDEX

REP. CHASE: Okay, thank you, sir.

SEN. POWERS: Any further questions? Thank you very much. Emily Smith, Blue Cross and Blue Shield.

EMILY SMITH: Good afternoon. My name is Emily Smith from Blue Cross and Blue Shield. I'd like to comment on three bills today. First, is SB98 which would require health insurers to pay interest to providers on claims which are not paid within 45 days of receipt by the insurer. Blue Cross and Blue Shield is opposed to this bill, mainly because it interferes with our company's participating and preferred provider contracts which are negotiated with various groups of health care providers.

These contracts govern Blue Cross and Blue Shield's relationship with provider groups and contain specific reimbursement mechanisms which are agreed upon by our company and the provider groups. To legislatively change these reimbursement mechanisms is unnecessary. These mechanisms vary from group to group, taking into account the particular needs and circumstances of the group as well as their respective bargaining positions. Provider groups are very sophisticated and in many cases are represented by counsel. Blue Cross and Blue Shield of Connecticut has negotiated agreements with most of its provider groups including physicians, dentists, optometrists, podiatrists, osteopathic physicians, chiropractic physicians, general hospitals, specialty hospitals, ambulance service providers and pharmacies.

As providers currently have the opportunity to negotiate reimbursement mechanisms as part of their business arrangement with Blue Cross and Blue Shield the need to provide for these mechanisms legislatively is unnecessary. As such, we are opposed to SB98.

The next bill, SB147, also addresses interest payments by health insurers. The first provision of SB147 would require insurers to pay interest on claims which are over 45 days old, at the same time as part of the same check as payment of that claim. For the past 18 months Blue Cross and Blue Shield of Connecticut has undergone a service renewal

project which has resulted in significantly customer service and claims service. The ultimate goal of our service renewal project is to process all of our claims within 45 days, thereby eliminating in most instances the need to pay interest on any overdue claims.

Requiring Blue Cross and Blue Shield to implement a system whereby claim payments and interest payments are combined on one check is not necessary. The time and expense of developing such a system would be better spent on continuing our service renewal project. Since implementing this project the average length of time to process a claim has been reduced by 1/3, allowing our company to continue our service renewal project and thereby improving our overall service, would better serve the needs of our customers.

A second provision of SB147 would require that insurers report annually to the Insurance Commissioner the number of interest payments made and the amount of such payments. Blue Cross and Blue Shield does not oppose this provision, however, we would like to recommend substitute language which would make the reported information more meaningful. First, the information reported should be Connecticut specify only and second, the insurers should be required to report the percentage of overall claims requiring interest payments as opposed to the specific number of claims. Reporting of overall percentages rather than absolute numbers would allow the Commissioner and consumers to fairly evaluate the performance of various health insurers within the state.

With these few changes made, Blue Cross and Blue Shield would support the reporting requirement called for in SB147. The last bill I would like to address is HB7190. This bill would require insurance companies to pay commissions owed to an insurance agent within 30 days of the effective date of the policy or the contract. Blue Cross is opposed to this requirement. Generally, group health insurance contracts are written for a one year period.

63
mas

INSURANCE & REAL ESTATE

February 16, 1989

REP. PRAGUE: Thank you. I have one other question. In SB147, you know the interest that is paid on some of the claims by Blue Cross/Blue Shield in a separate check is totally ridiculous. Some people get ten cents, twenty-five cents, forty-five cents and it costs you as much, if not more, to send out that interest check. If you are going to pay interest and there is a bill around somewhere that says you don't have to pay interest on anything less than \$10, but if you are going to pay interest it seems that it would be a money saving device to include that interest in the payment for services.

EMILY SMITH: If our systems had the capability to do that we would be doing that right now. But we do not have that capability on our reimbursement system. For us to, our feeling is that we would rather spend the time and money on improving our claim service which we've been trying to do for the last 18 months. We'd rather spend the time and money on doing that so that there are no claims that take over 45 days, instead of spending the time and money on redoing our entire reimbursement system so that we can pay interest in the same check as the claim payment. We think we could serve our members better doing the other.

REP. PRAGUE: So they are working on improving their payment system so they won't have to pay any interest at all, is that it?

EMILY SMITH: Yes.

REP. PRAGUE: That would be nice. Thank you.

SEN. POWERS: Representative Thorp.

REP. THORP: Just for the record, do you have any kind of an estimate of what the computer programming system analysis, etc., etc., costs would be to do this thing and would this cost be borne . . . (gap in time to side 2A)

EMILY SMITH: Very preliminary estimate is that it would cost between half a million and one million

dollars to update our reimbursement systems. I would imagine that would go into our operating expenses, somebody would bear the cost of that.

REP. THORP: Thank you.

SEN. POWERS: Thank you.

EMILY SMITH: Thank you.

SEN. POWERS: Terry Twigg, IAC.

TERRY TWIGG: Thank you Senator Powers and members of the Committee. My name is Teresa Twigg and I represent the Insurance Association of Connecticut. I'd like to discuss a number of the bills that are up for hearing today and then my colleague Bob Kehmna will be talking about several others so I may refer some of your questions back to him.

The first bill I'd like to talk about is SB70, AN ACT CONCERNING LOSS COST INFORMATION FOR COMMERCIAL LIABILITY INSURANCE POLICY HOLDERS. This bill would require that every commercial insurance policy holder be given an annual summary of his own loss history and a comparison with the losses, the claims of other similar policy holders. This would be an enormous amount of paperwork that you'd be asking to have sent out from the companies to the consumers. I'm told that in some lines, such as Workers Compensation just one month's claims records would literally fill a warehouse.

So that's an enormous amount of paperwork, it's a lot of processing, a lot of postage for information that most consumers don't particularly have any need for. If you remember two years ago in PA87208, you instituted a requirement that commercial loss cost information be provided on request within 60 days to any consumer who felt he needed that information and we think that adequately protects the consumer who perhaps wants to move his insurance around or is just curious about the status of his policy.

SEN. POWERS: Representative Chase.

REP. CHASE: What was that public act number again?

TERRY TWIGG: No, that's all for me. Thank you for your time.

SEN. POWERS: Bob Kehmna from the IAC.

BOB KEHMNA: Thank you, Mr. Chairman. My name is Bob Kehmna, I'm Counsel to the Insurance Association of Connecticut. I'm here today to speak on four bills. The first, SB147, AN ACT CONCERNING INTEREST PAYMENTS ON HEALTH AND ACCIDENT INSURANCE CLAIMS presents some practical problems to our members. The bill requires an insurer to pay an insurance claim and any interest due on that claim by the same instrument. In order to pay by one check extensive reprogramming would have to take place to the insurer's claim system because under (inaudible) practices the total lump paid by one check would be entered on the policy holders experience account.

Permitting the insurer to issue separate checks would allow it to more easily distinguish claims expenditures from the interest expenditures. We would suggest that if the bill, excuse me, is to be reported out of Committee, it be amended to allow the insurer to either pay by one check or be paid by two checks within a specified period of time. That way, the insurer would be able to minimize the administrative costs associated with this bill and the insured would still get his interest payment in a timely manner.

The next bill is raised SB777, AN ACT CONCERNING CHECKS FROM INSURANCE AGENTS AND BROKERS WHICH ARE RETURNED FOR INSUFFICIENT FUNDS. The IAC cannot support raised SB777 in its current form. It requires the insurer to immediately report to the Commissioner whenever a check issued by an agent or broker is returned for insufficient funds. The rigidity of this standard does not appear to be warranted. Frequently the agent and broker checks are returned for insufficient funds but there are many varied, legitimate, correctable reasons for that and more often than not, in the vast majority of cases, these checks are covered. They are made good in a timely manner.

and, in many cases, are represented by counsel. Blue Cross and Blue Shield of Connecticut has negotiated agreements with most of its provider groups including: participating physicians, dentists, optometrists, podiatrists, osteopathic physicians, chiropractic physicians and physical therapists as well as general hospitals, specialty hospitals, ambulance service providers and pharmacies.

As providers currently have the opportunity to negotiate reimbursement mechanisms as part of their business arrangement with Blue Cross and Blue Shield, the need to provide for them legislatively is unwarranted. As such, Blue Cross and Blue Shield of Connecticut urges the Committee to report unfavorably on Committee Bill 98.

C.B. 147 also addresses interest payments by health insurers. The first provision of C.B. 147 would require insurers to pay interest on claims over 45 days old at the same time, and as part of the same check, as payment of the claim. Blue Cross and Blue Shield is opposed to this requirement.

For the past 18 months, Blue Cross and Blue Shield of Connecticut has undergone a service renewal project which has resulted in significantly improved customer service and claims service. The ultimate goal of our service renewal project is to process all claims within 45 days, thereby eliminating, in most instances, the need to pay interest on overdue claims.

Requiring Blue Cross and Blue Shield to implement a system whereby claim payments and interest payments are combined in one check is not necessary. The time and expense of developing such a system would be better spent on continuing our service renewal project. Since implementing the project, the average length of time to process a claim has been reduced by one-third. Allowing our company to continue our service renewal project and thereby improving our overall service would better serve the needs and

concerns of our members than requiring us to comply with C.B. 147.

A second provision of the bill would require that insurers report annually to the Insurance Commissioner the number of interest payments made and the amounts of such payments. Blue Cross and Blue Shield of Connecticut does not oppose this provision, however, we would like to recommend substitute language which would make the reported information more meaningful.

First, the information reported should be Connecticut specific only and, second, insurers should be required to report the percentage of overall claims requiring interest payments as opposed to the specific number of claims requiring interest payments. Reporting the overall percentages, rather than absolute numbers, would allow the Commissioner and consumers to fairly evaluate the performance of the various health insurers within the state. With these two changes made, Blue Cross and Blue Shield would support the reporting requirement called for in C.B. 147.

The last bill I would like to address is R.B. 7190. This bill would require insurance companies to pay commissions owed to an insurance agent within 30 days of the effective date of the policy or contract. Blue Cross is opposed to this requirement. Generally, group health insurance contracts are written for a one year period. However, premiums are payable monthly and are based on the group's employee population which often changes monthly. Currently, commissions are paid to agents only after the group has paid the correct monthly premium. If a payment is late, why should an automatic commission be paid? Similarly, if membership changes, an accurate commission cannot be paid until the correct premium is rendered. The language of R.B. 7190 also could be interpreted to mean that health insurers must pay commissions for the entire contract period, prior to receipt of the

STATEMENT OF
INSURANCE ASSOCIATION OF CONNECTICUT
BEFORE THE INSURANCE AND REAL ESTATE COMMITTEE
REGARDING CB 147, RCB 777, CB 5423 AND RCB 7190
THURSDAY, FEBRUARY 16, 1989

CB 147 An Act Concerning Interest Payments on Health and Accident Insurance Claims.

CB 147 presents some practical problems. The bill requires an insurer to pay a health insurance claim and any interest due on that claim by the same instrument. In order to pay by one check, extensive and expensive reprogramming will have to be done to insurers' claims systems because under current accounting practices, the total amount paid by that one check would be entered on the policyholder's experience account. Permitting the insurer to issue separate checks would allow it to more easily distinguish claims expenditures and interest expenditures. We would suggest that if the bill is to be reported out by the committee, it be amended to allow the insurer to pay either by one check, or by two checks within a specified time period. In that way administrative expenses may be minimized and the claimant will still receive the interest due in a timely manner.

We would also like to point out that the reporting requirements established in lines 29 to 31 will increase administrative expenses to the insurer, as those reports will have to be generated manually or by computer after additional reprogramming.