

Legislative History for Connecticut Act

SB 57	(PA 90-12)	1990
Senate	362-364, 380-381, 2004-2006, 2010-2011, 2013-2014	(12p)
House	1102-1114, 4912-4915	(7p)
Insurance & Real Estate	3,94, 190, 191	(4p)
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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1990

VOL. 33
PART 2
299-604

WEDNESDAY
March 14, 1990

48
aak

The result of the vote.

12 Yea

22 Nay

The amendment is defeated.

Further amendments?

THE CLERK:

Mr. President, it is my understanding that the other amendments filed have been withdrawn.

THE CHAIR:

We are now on the bill as amended by Senate Amendment "A". Further remarks on the bill? Senator Meotti.

SENATOR MEOTTI:

I ask that this be placed on the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

THE CLERK:

Calendar 33, File 19, Substitute SB57, AN ACT CONCERNING INTEREST PAYMENTS ON HEALTH AND ACCIDENT INSURANCE CLAIMS. Favorable Report of the Committee on INSURANCE AND REAL ESTATE. The Clerk is in possession of one amendment.

THE CHAIR:

Senator Powers.

SENATOR POWERS:

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

THE CHAIR:

Clerk please call the amendment.

THE CLERK:

LC02358 designated Senate Amendment Schedule "A"
offered by Senator Powers of the 20th District.

THE CHAIR:

Senator Powers.

SENATOR POWERS:

Mr. President, I move adoption and ask permission to summarize.

THE CHAIR:

You may proceed.

SENATOR POWERS:

Thank you, Mr. President. This amendment simply clarifies that the money going towards the UConn Health Center would be for interest on late payments and not anything to do with the amount of any individual's claim. I would move its adoption.

THE CHAIR:

Further remarks on the amendment? All those in favor of the amendment signify by saying Aye.

SENATORS:

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aak

Aye.

THE CHAIR:

Opposed? The amendment is adopted. Further amendments?

THE CLERK:

No further amendments, Mr. President.

THE CHAIR:

We are now on the bill as amended by Senate Amendment "A". Senator Powers.

SENATOR POWERS:

Thank you, Mr. President. This bill would require an insurance company to deposit any interest penalty payments in an account at the end of the year send it to the UConn Health Center for any interest penalty payment under \$1.00. In addition it increases the interest penalty percentage from 12% to 15%.

If there is no objection, move it to the Consent Calendar.

THE CHAIR:

Without objection, it is placed on the Consent Calendar.

THE CLERK:

Calendar 34, File 20, Substitute SB52, AN ACT
INCORPORATING ZURICH REINSURANCE COMPANY OF AMERICA.
Favorable Report of the Committee on INSURANCE AND REAL

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aak

read the items that have been placed on the Consent Calendar.

THE CLERK:

Beginning on Page 2 of the Calendar, Calendar 30, SB76, Calendar Page 3, Calendar 32, SB78, Calendar 33, Substitute SB57, Calendar 34, Substitute SB52, Calendar 35, Substitute HB5195, Calendar 37, SB33, Calendar 38, SB135, Calendar 39, Substitute SB115.

Calendar 40, SB136, Calendar 41, Substitute SB134, Calendar 42, Substitute SB186, Calendar 48, Substitute SB58.

THE CHAIR:

The Senate will stand at ease.

THE CLERK:

Correction, Mr. President, I indicated a Calendar 37, SB33. That should not be on the Consent Calendar.

THE CHAIR:

Any changes or omissions? We are now voting on the items that were placed on the Consent Calendar. The machine is open, please record your vote. Has everyone voted? The machine is closed. Clerk please tally the vote.

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aak

381

The result of the vote.

36 Yea

0 Nay

The Consent Calendar is adopted.

Senator Avallone.

SENATOR AVALONE:

Yes, Mr. President, I was out of the Chamber on Calendar 43, 44, 45, 46 and 47 and would like to be recorded in the affirmative, please.

THE CHAIR:

The record will so note. Senator O'Leary.

SENATOR O'LEARY:

Thank you, Mr. President. Calendar 35, HB5195, I
move that we transmit that immediately to the Governor.

THE CHAIR:

Without objection, so ordered.

THE CLERK:

Returning to Calendar Page 3, Calendar 37, File 21,
SB33, AN ACT CONCERNING NOTICES OF FEDERAL TAX LIENS
AND OTHER FEDERAL LIENS. Favorable Report of the
Committee on JUDICIARY.

THE CHAIR:

Senator Avallone.

SENATOR AVALONE:

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abs

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laundering as defined in the bill. The second component of the bill would be to strengthen the present penalties, criminal penalties, that are enforced by the State's Attorneys or the Chief State's Attorney. And the third would be to establish a Crime Proceeds Strike Force that would include representatives of the Attorney General, the Chief State's Attorney and agencies that are concerned with money laundering, such as the Department of Banking, the Commissioner of Banking. It would include representatives and other agencies, and it would involve as well possible cooperation with federal authorities that now do have the authority to fight money laundering with civil penalties.

THE CHAIR:

Further remarks on the bill as amended?

SENATOR BLUMENTHAL:

If there is no objection, Mr. President, I would move that it be placed on the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

THE CLERK:

Calendar page 33, Disagreeing Actions, Calendar 33, Files 19 and 615, Substitute for SB57, AN ACT CONCERNING INTEREST PAYMENTS ON HEALTH AND ACCIDENT

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abs

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INSURANCE CLAIMS. (As amended by Senate Amendment Schedule "A"). Favorable Report of the Committee on Appropriations.

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, in concurrence with the House.

THE CHAIR:

Will you remark?

SENATOR POWERS:

Thank you, Mr. President. This obviously is a bill that came before us already. It passed unanimously. The House added the fact that-- It changed the legislation to say that half of the proceeds would be realized by the University of Connecticut Health Center. The other half, which is the addition by the House Amendment, to Uncas on the Thames Hospital.

I would urge adoption of the legislation with the change, and if there is no objection, ask that it be placed on the Consent Calendar.

THE CHAIR:

Mr. Clerk, do you have an explanation on this bill?

THE CLERK:

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abs

Yes, Mr. President. Just that, by way of explanation-- Senate Amendment Schedule "A" is already incorporated in File 615. So that, it is my understanding that the Senator has moved in concurrence with the House.

THE CHAIR:

The Clerk has stated that the amendment is actually incorporated now in the bill. Senator Powers.

SENATOR POWERS:

If I am understanding correctly, you are talking about the House Amendment is incorporated in the bill. And I believe I moved in concurrence with the House.

THE CHAIR:

There is no House mentioned. There is no amendment--

THE CLERK:

Senate Amendment "A" is incorporated in File 615.

THE CHAIR:

Do you want to PT this and see if you can discuss this further? Passed temporarily.

THE CLERK:

Calendar page 34, Calendar 57, Files 56 and 632, SB265, AN ACT CONCERNING PREJUDGEMENT ATTACHMENT. (As amended by House Amendment Schedule "A"). Favorable Report of the Committee on Judiciary.

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abs

In reference to Calendar 80, Substitute for SB252, Files 105 and 442: in review of the bill in possession of the Clerk's office, I have discovered that there were two Senate Amendment Schedules "A". The first one was LCO2837, which was originally rejected by the Senate. And Senate Amendment Schedule "A" LCO4051, which was adopted by the Senate, rejected by the House. And it is my understanding now that the Senator from the 4th District has moved to readopt that Senate Amendment "A".

SENATOR MEOTTI:

Yes, Mr. President. It would be LCO4051.

THE CHAIR:

Thank you. Next item.

THE CLERK:

Mr. President, returning to Calendar page 33, Calendar 33, Files 19 and 615, Substitute for SB57, AN ACT CONCERNING INTEREST PAYMENTS ON HEALTH AND ACCIDENT INSURANCE PLANS. (As amended by Senate Amendment Schedule "A"). Favorable Report of the Committee on Appropriations.

THE CHAIR:

Senator Powers.

SENATOR POWERS:

Mr. President, I would move acceptance of the Joint

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Committee's Favorable Report and passage of the bill, in concurrence with the House. And just by way of explanation, Mr. President and members of the Circle, the change that I had mentioned, adding half of the proceeds to Uncas on the Thames Hospital, in actuality was made by the Appropriations Committee. The House then approved the bill along with that change, and what I am suggesting is that we approve that bill also, along with the change.

If there is no objection, I would ask that this be placed on the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

THE CLERK:

Calendar page 36, Calendar 260, File 434,
Substitute for SB38. AN ACT CONCERNING THE IMPOSITION OF CIVIL PENALTIES FOR VIOLATIONS OF WEIGHTS AND MEASURES LAWS AND CONCERNING REGISTRATION OF DEALERS AND REPAIRERS. (As amended by Senate Amendment Schedule "A"). Favorable Report of the Committee on Judiciary.

The House rejected Senate Amendment Schedule "A", on April 30th.

THE CHAIR:

Senator Sullivan.

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return to the Chamber. Immediate roll call has been ordered in the Senate on the 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 the Consent Calendar. Mr. Clerk.

THE CLERK:

First Consent Calendar begins on Calendar page 2, Calendar 100, Substitute for SB125. Calendar 162, SB321. Calendar page 3, Calendar 203, Substitute for SB485. Calendar 245, Substitute for SB512. Calendar page 6, Calendar 320, Substitute for SB422. Calendar page 7, Calendar 338, Substitute for SB473. Calendar page 8, Calendar 341, SB95. Calendar page 10, Calendar 366, Substitute for SB293. Calendar page 14, Calendar 391, Substitute for SB130. Calendar page 18, Calendar 422, Substitute for HB5666. Calendar page 19, Calendar 426, Substitute for SB365. Calendar 432, Substitute for SB490. Calendar page 31, Calendar 139, Substitute for SB326. Calendar page 32, Calendar page 281, Substitute for SJ30. Calendar 283, Substitute for SJ33. Calendar 330, Substitute for SB466. Calendar page 33, Calendar 368, Substitute for SB445. Calendar 392, Substitute for SB376. Calendar 33, Substitute for SB57 Calendar page

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abs

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34, Calendar 78, Substitute for SB63. Calendar 80,
Substitute for SB252. Calendar page 36, Calendar 260,
Substitute for SB38.

THE CHAIR:

Are there any changes or omissions? We are now voting on Consent Calendar number 1. The machine is open, please record your vote.

Senator DiBella. Senator DiBella, thank you. Senator Avallone, Senator Powers, Senator Maloney, Senator Gunther.

Has everyone voted? The machine is closed. Clerk please tally the vote.

Result of the vote.

36 Yea

0 Nay

The Consent Calendar number 1 is adopted. (Gavel)

The Senate will stand at ease.

THE CLERK:

Calendar page 7, Calendar 322, File 496, SB463. AN ACT CONCERNING CRIMINAL POSSESSION OF FIREARMS DURING ILLEGAL DRUG ACTIVITIES. Favorable Report of the Committee on Judiciary.

The Senate adopted Senate Amendment Schedule "A" on May 1st. And Senate Amendment Schedule "B" was designated. Senate Amendment Schedule "B", LCO3937,

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Chamber.

SPEAKER BALDUCCI:

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

The Clerk please announce the tally.

CLERK:

House Bill 5780, as amended by House Amendment Schedule "A".

Total Number Voting	146
Necessary for Passage	74
Those voting Yea	107
Those voting Nay	39
Those absent and not Voting	5

SPEAKER BALDUCCI:

The bill as amended is passed.

CLERK:

Page 7, Calendar 78, Substitute for Senate Bill 57.

AN ACT CONCERNING INTEREST PAYMENTS ON HEALTH AND ACCIDENT INSURANCE CLAIMS, as amended by Senate "A".

Favorable Report of the Committee on INSURANCE AND REAL ESTATE.

REP. BIAFORE: (125th)

Mr. Speaker.

SPEAKER BALDUCCI:

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Representative Biafore of the 125th.

REP. BIAFORE: (125th)

I move 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)

Mr. Speaker, the Clerk has Senate Amendment Schedule "A". Will the Clerk please read the amendment.

SPEAKER BALDUCCI:

Will the Clerk please call LCO25 -- excuse me, LCO2358, designated House "A" and read. Excuse me, previously designated Senate "A".

CLERK:

LCO2358, previously designated Senate "A".

In line 18, delete "amount" and insert in lieu thereof the word "interest"

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

Mr. Speaker, I move adoption of Senate Amendment "A".

SPEAKER BALDUCCI:

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The question is on adoption. Will you remark?

REP. BIAFORE: (125th)

What this bill will do -- or what the amendment will do is to clarify that the amount that will be put into this account is the interest and not the total amount that the client is to receive.

SPEAKER BALDUCCI:

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

REPRESENTATIVES:

Aye.

SPEAKER BALDUCCI:

Opposed nay.

The ayes have it.

The amendment is adopted and ruled technical.

Will you remark further on the bill as amended?

Representative Norton of the 48th.

REP. NORTON: (48th)

Mr. Speaker, I just want to speak vehemently in favor of the bill. The fact of the matter is that the penny checks that a lot of our constituents and I suppose some of us have been receiving over the years, a check for eleven cents or forty-nine cents doesn't really make a whole lot of sense when you compute the

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amount of money it takes to cut the check and we're wasting those resources.

The penalty effect of having to give up that amount of money on the insurance company's part will still remain in place because the money will still be taken from the companies and given, in this case, to the UConn Health Center.

Also, we'll be raising the interest rate from 12% to 15% and that's also another very good thing. A lot of people have complaints with the tardiness of insurance companies to pay claims. Some people have doctors banging on their door for their money and the insurance companies haven't even paid you yet.

The 15% interest rate will do something to help expedite the insurance company's efforts to pay us, and so all in all, I think both parts of the bill are good and it should be passed unanimously. Thank you, Mr. Speaker.

SPEAKER BALDUCCI:

Thank you, Representative Norton. Will you remark further? Representative Gambardella of the 87th.

REP. GAMBARDELLA: (87th)

Thank you, Mr. Speaker. Just briefly, Mr. Speaker, as the original co-sponsor of this bill, the bill itself is intended to do exactly as Representative

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Norton has stated. This bill is intended to stop the phone calls I think many of us have gotten from angry constituents saying, "Why did I get a three cent check in the mail? Why did the insurance company raise my rates 50%, while I got a three cent check. I don't want the three cent check. I want lower rates." And I think this bill was intended to solve that predicament and I think it does the exact right thing that we wanted to do was to raise the interest rates of the insurance companies still paying a penalty and it gives the money that the constituents don't necessarily want back to a worthy cause and I think this bill goes a long way to do what we want to do in this legislature. Thank you, Mr. Speaker.

SPEAKER BALDUCCI:

Thank you. Will you remark further on the bill?
Will you remark further? Representative Jaekle.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. Mr. Speaker, I really don't have much trouble with the bill. I suppose we all might decide where the penny checks could be redirected. The bill chooses the University of Connecticut Health Center, but I would like to ask, I was going to do an amendment saying the UConn Husky basketball team. I thought it would be a nice roll

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call vote in advance of tomorrow night's game, but my concern really isn't as much who's getting the money as to the way we're accounting for it and I would like to ask, through you, to the proponent of the bill whether the amount of money that would now be going to the University of Connecticut Health Center would be part of the operating budget of the UConn Health Center?

REP. BIAFORE: (125th)

Through you, Mr. Speaker, the funds would be going into a special fund and would be administered separately from the general appropriations to the UConn -- I mean to the Connecticut Health Center.

REP. JAEKLE: (122nd)

Mr. Speaker.

SPEAKER BALDUCCI:

Representative Jaekle.

REP. JAEKLE: (122nd)

Then, through you, would this money that our state statute, our state laws are directing to go to the UConn Health Center, go to the Health Center's Foundation, through you, Mr. Speaker?

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

Through you, Mr. Speaker, it would be a special

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fund that would be set up that would be used by the UConn Health Center. There is no fund now.

REP. JAEKLE: (122nd)

Through you, Mr. Speaker, I'll admit I can't quit find that in the language of the bill before us. All I see is that this amount is going to be donated to the University of Connecticut Health Center and maybe there's a companion statute or something in the law about donations to the Health Center going into a separate fund rather than being part of the operating budget. Could the proponent share with myself and other Members of the Chamber where this provision is that these donated monies to the University of Connecticut Health Center are going into a separate fund or any fund or anywhere other than the operating budget of the University of Connecticut Health Center? I can't find the language. Does it exist somewhere, through you, Mr. Speaker.

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

Through you, Mr. Speaker, I would have to agree, it does not exist in the file as you are reading it. It was the intent of the committee that this would go into the special fund and not be part of the General Fund

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appropriation.

REP. JAEKLE: (122nd)

Mr. Speaker, I recall the auditors have been looking into UConn and various funds and what have you and I remember getting a rather lengthy report where I gather the way the checks were made out might even determine what fund it went into. I'll admit that was not for the health center, at least the report that I had read, but I thought there was something to the effect if it was in the name of the university, that didn't go into a foundation or a separate fund and this is just straight, the University of Connecticut Health Center.

I would like to ask could this money go into basically generally the operating budget of the University of Connecticut Health Center, through you, Mr. Speaker.

REP. BIAFORE: (125th)

Through you, Mr. Speaker.

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

Through you, Mr. Speaker, I would say that since there is no specific language to prevent it, there is a possibility that it could.

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REP. JAEKLE: (122nd)

And, Mr. Speaker, if this could be monies that are are directing by this law to go to the University of Connecticut Health Center and conceivably into the operating budget, could this be impacting the operating budget of the University of Connecticut Health Center, through you, Mr. Speaker, to the proponent?

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

Mr. Speaker, I'm sorry. Could you repeat the question, Representative?

REP. JAEKLE: (122nd)

Yes, indeed, excuse me. I basically want to know whether these monies --.

SPEAKER BALDUCCI:

Excuse me again. Members of the Chamber, please direct your attention to Representative Biafore and Representative Jaekle's dialogue. Representative Jaekle.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. I just want to know that since I gather it's been established these monies could end up going into the operating budget of the UConn Health Center, whether those dollars thus could impact

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the budget, the amount of money UConn Health Center spends, the operating budget of UConn Health Center? If these monies can go into that budget, is it conceivable it thus impacts the operating budget of the UConn Health Center, through you, Mr. Speaker?

REP. BIAFORE: (125th)

Through you, Mr. Speaker.

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

Through you, Mr. Speaker, I would say yes.

REP. JAEKLE: (122nd)

Thank you. Mr. Speaker, one other question, although that was the answer I was looking for, for what I may suggest next. I notice that these monies from the insurance companies go into a separate account. At the end of the year they report to the commissioner I guess the total amount of interest earned, interest payments into the interest-bearing account and I assume interest earned on the interest in this account and they they donate it to UConn Health Center. Is anybody going to be auditing the insurance companies on the amount of money going into this account, whether what they're reporting to the commissioner is accurate? Any sort of --. I get

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nervous when I see money being handled without some safeguards and I don't see it in the bill. Is there some provision somewhere that I'm not aware that provides for accounting or auditing by the state auditors, the Insurance Commissioner having auditing rights over this newly created interest-bearing trust account, through you, Mr. Speaker?

SPEAKER BALDUCCI:

Representative Biafore.

REP. BIAFORE: (125th)

Through you, Mr. Speaker, the Insurance Department would presently do audits, the auditors for the Insurance Department.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. Mr. Speaker, when I first read the bill, I thought it was well-intended. Frankly, I wouldn't mind giving up, you know, a ninety cent check. I can't ever getting one personally, so maybe that's why I don't mind getting it or losing it if we pass this and I imagine most of our constituents wouldn't mind either.

One by one, these checks are virtually insignificant, not a bad idea of basically accumulating these, earning interest on it and sending it somewhere. Maybe we could have a debate over where it might be

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more appropriate than UConn Health Center, but I even accept that. Since it apparently is the product of the originators' work and they've decided that's where it should go, fine.

I am concerned, however, that we are bypassing two committees of the General Assembly. I don't see from the file that this bill has been to either the Finance or the Appropriations Committee. I'll accept the auditing answers that were given and maybe there's not a necessity that it go to Finance, but it looks to me like the monies that are going to be accumulated and donated to UConn Health Center can indeed form part of the operating budget of the UConn Health Center. I believe the Appropriations Committee of the General Assembly has cognizance of all matters relating to the operating budgets -- of the operating budgets of any activities of state government and not because I believe Appropriations could certainly approve this. I do feel it would be appropriate, however, that a money committee of the General Assembly, and I think the most appropriate committee would be Appropriations, look at this legislation and make sure that it meets, or at least they can take account of this when they're putting the budgets together, and that the proper financial safeguards exist to make this program, and a

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new program at that, work appropriately and I would certainly strongly suggest that this go through the Appropriations Committee process prior to being voted on by the House.

SPEAKER BALDUCCI:

Representative Bertinuson of the 52nd -- 57th, excuse me, madam.

REP. BERTINUSON: (57th)

Thank you, Mr. Speaker. I think the Minority Leader has raised a good point and at this time I would move that this bill be sent to the Committee on Appropriations.

SPEAKER BALDUCCI:

The question is on referral. Is there objection?
Seeing none, so ordered.

CLERK:

Calendar 79, Substitute for Senate Bill 58. AN ACT CONCERNING PREVENTIVE PEDIATRIC CARE BENEFITS IN GROUP INSURANCE POLICIES, as amended by Senate "A".

Favorable Report of the Committee on INSURANCE AND REAL ESTATE.

REP. FRANKEL: (121st)

Mr. Speaker.

SPEAKER BALDUCCI:

Representative Frankel.

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House of Representatives

Wednesday, April 25, 1990

ordered.

CLERK:

Page 22, Calendar 401, Substitute for House Bill 6027, AN ACT CONCERNING ALTERNATIVE SANCTIONS AND A COMMUNITY SERVICE LABOR PROGRAM.

Favorable Report of the Committee on APPROPRIATIONS.

REP. FRANKEL: (121st)

Madam Speaker.

DEPUTY SPEAKER POLINSKY:

Representative Frankel.

REP. FRANKEL: (121st)

I move this bill be referred to the Committee on Government Administration and Elections.

DEPUTY SPEAKER POLINSKY:

Question is on a referral to the Committee on Government Administration and Elections. Is there objection? Hearing no objection, so ordered.

Will the Clerk please return to the Call of the Calendar?

CLERK:

Page 13, Calendar 78, Substitute for Senate Bill 57, AN ACT CONCERNING INTEREST PAYMENTS ON HEALTH AND ACCIDENT INSURANCE CLAIMS. (As amended by Senate Amendment Schedule "A").

Favorable Report of the Committee on
APPROPRIATIONS. The Committee recommends passage
with Senate Amendment Schedule "A".

DEPUTY SPEAKER POLINSKY:

Representative Biafore.

REP. BIAFORE: (125th)

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

DEPUTY SPEAKER POLINSKY:

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

REP. BIAFORE: (125th)

Yes. This is a bill that we have already seen.
And we have already adopted Senate "A", which was
LCO2358, at which time the bill was sent off to
Appropriations. In Appropriations, the Appropriations
Committee rewrote the bill, put Senate "A" into it and
then added some additional language. And for your, for
everyone's information, the additional language is that
the funds would be divided evenly between the
Connecticut Health Center and the Uncas on the Thames
Hospital.

With that explanation, I would move for adoption of
File 615, which is Senate Bill 57.

DEPUTY SPEAKER POLINSKY:

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Will you remark further on this bill? Will you remark further on this bill? Will you remark further? Will you remark further on this bill as previously amended by Senate "A"? Will you remark further? Will you remark further? If not, will all members please take their seats? Sorry. Representative Norton.

REP. NORTON: (48th)

Madam Speaker, I just simply wanted to encourage the House to vote for the bill, so I will just sit right back down.

DEPUTY SPEAKER POLINSKY:

That was most helpful, Representative Norton. Will you remark further on this bill? If not, will all members take their seats? Staff and-- Representative-- Staff and guests, to the Well of the House. The machine will be opened.

CLERK:

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

DEPUTY SPEAKER POLINSKY:

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

cjp

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have voted, the machine will be locked, and the Clerk will take a tally. Clerk will announce the tally.

CLERK:

Senate Bill 57, as amended by Senate Amendment Schedule "A".

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

DEPUTY SPEAKER POLINSKY:

The bill as amended is passed. (Gavel)

REP. FRANKEL: (121st)

Madam Speaker. Madam Speaker.

DEPUTY SPEAKER POLINSKY:

Representative Frankel.

REP. FRANKEL: (121st)

Thank you, Madam Speaker. There have been some inquiries about the status of the last item, and perhaps just for the edification of the members-- Since this Chamber's actions are not identical with those of the Senate, this bill will have to be returned to the Senate, even though one could be misled by looking at the file copy, in so far as it says State of Connecticut, Senate Bill. And normally, having acted

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However, in the interest of time, I have submitted 40 copies of my comments and writings on other bills, and understand you have those comments before you. Those other bills are SB52, SB57, SB59, SB60 and HB5126 and HB5128.

On SB57, I have one additional comment that's not in the prepared testimony. That's the bill that says interest on health insurance claims that are not paid within 45 days. If they're less than \$1, they accumulate the dollars. They send the dollars to me and I pick a charity. Well, my favorite charity is Mrs. Kelly and I would only suggest that perhaps you escheat those funds to the State rather than letting me pick a charity. She's been my charity for 26 years, so.

As regards SB72, AN ACT REVISING TITLE 38 OF THE GENERAL STATUTES CONCERNING INSURANCE. This is a bill I'm sure you all have read in great detail. It's a bill which will bring the Connecticut regulation of insurance into the 1990s and hopefully will set the framework for insurance regulation into the next century.

This is the first comprehensive reorganization of the Connecticut insurance laws. This bill is a product of a cooperative effort between the Insurance Department, the Law Revision Commission and the Legislative Commissioner's office.

Present in the room today are four individuals who, and Cora, whom I should mention, who recently came on board and has been helpful to us, too, but four that have worked with us over the past year and a half. They are David Bickwin, he's the executive director of the Law Revision Commission. David. And David Heman who is the chief attorney for the Law Revision Commission. David. Our two counsels, Toby Doyle and John Arsenal. These four people are the people who have really put this product together and deserve much credit.

I should also mention that when we discussed doing this in 1988 with you, we did get some estimates from the last eight who had done such a recodification that was the State of Utah, and they told us at that time they had already spend

necessary by the treating physician. Health insurance is not intended to cover custodial or educational services. We are concerned that mental health benefits be mandated in instances where a difficult child is placed in a facility primarily because his parents cannot control him, rather than due to a medical diagnosis of a mental illness.

As to SB57, AN ACT CONCERNING INTEREST PAYMENTS ON HEALTH AND ACCIDENT INSURANCE CLAIMS. We would oppose this bill and wonder why the figure of 18% has been chosen for interest penalty on late payment of health insurance claim payments. And looking at other statutory provisions, for example, the Workers Compensation Act, the highest interest penalty in that act is 12%. That Act was amended just last year.

And another example, interest penalties, recoverable under civil actions is capped at 10%, 37-3A. It's our understanding that these cases of late payment are minimal, at least from our member companies and we question the need to have an unusually high interest penalty associated with this late payment.

The Insurance Association of Connecticut supports the concept embodied in SB59, AN ACT ESTABLISHING A MANDATED BENEFITS ADVISORY COUNCIL. We do have some concerns, however, about how the bill is currently drafted. It is not clear how the Insurance Department would have the resources to it to commit to these additional duties. With all due respect to the other state agencies listed in the bill it is not clear how Income Maintenance, Human Resources and Health Services Departments would relate to the task at hand.

We would suggest that the Commission on Hospitals and Health Care because of their active involvement in the attempts of cost control may be better able to serve the needs of this particular council and we would also suggest that the unnamed additional members be named specifically constituencies such as insurers and business, most particularly small businesses because and they most adversely affected by mandates that exist on the books, for the simple reason that many large employers who are insured, self-insure and are not subject to those mandates.

STATEMENT OF THE
INSURANCE ASSOCIATION OF CONNECTICUT
BEFORE THE INSURANCE AND REAL ESTATE COMMITTEE
IN REGARD TO SB 56, 57, 59, 61, 72
AND HB 5126, 5127, 5129, 5130, 5131, 5132
FEBRUARY 15, 1990

SB 56: AN ACT CONCERNING PREPAID LIMITED HEALTH SERVICE
ORGANIZATIONS

SB 56 would mandate coverage for inpatient and outpatient mental illness services performed at accredited residential treatment facilities. We must oppose this bill, because it appears to move group health insurance further from the link to medically necessary treatment.

Insurers sell medical insurance, providing coverage for effective medical treatment found to be necessary by the attending physician. Health insurance is not intended to cover custodial care or educational services. We are concerned that mental health benefits be mandated in instances where a difficult child is placed in a facility primarily because his parents can't control him, rather than due to the medical diagnosis of a mental illness.

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SB 57: AN ACT CONCERNING INTEREST PAYMENTS ON HEALTH AND ACCIDENT
INSURANCE CLAIMS

The Insurance Association opposes SB 57 because the imposition of an eighteen percent interest penalty on late payment of health insurance claims is unfair and unnecessary. The current twelve percent penalty is equivalent to the highest interest penalty for late payment of benefits under the Workers' Compensation Act, which was just amended last year. Interest payments recoverable under civil actions (CGS 37-3a) are limited to ten percent. We would question why an eighteen percent penalty is necessary in the Unfair Insurance Practices Act.

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