Legislative History for Connecticut Act

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House 2442-2449, 3574-3578 (13)

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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1992

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PART 7
2124-2454

of the House, the machine will be open.

CLERK:

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

DEPUTY SPEAKER POLINSKY:

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

CLERK:

House Bill 5016 as amended by House "A"

Total Number Voting	148
Necessary for Passage	75
Those voting Yea	148
Those voting Nay	0
Those absent and not Voting	3

DEPUTY SPEAKER POLINSKY:

The bill is passed as amended. (Gavel)

Clerk, please return to the Call of the Calendar.

CLERK:

Calendar 377, Substitute for Senate Bill 133, AN ACT CONCERNING REVISIONS AND TECHNICAL CHANGES TO THE INSURANCE STATUTES.

Favorable Report of the Committee on Insurance and Real Estate.

REP. FONFARA: (4th)

Madam Speaker?

DEPUTY SPEAKER POLINSKY:

Representative Fonfara.

REP. FONFARA: (4th)

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

DEPUTY SPEAKER POLINSKY:

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

REP. FONFARA: (4th)

Yes, Madam Speaker, thank you. This bill makes a number of technical revisions to insurance statutes. In addition to extending the powers of the Commissioner, it clarifies and repeals language of the insurance statutes following recodification of the statutes in January of 1991. This will permit changes and corrections to be incorporated into the new statutes books which will be published in January of 1993. I move adoption.

DEPUTY SPEAKER POLINSKY:

The question is on passage of this bill. Will you remark further? Will you remark further?

Representative Fonfara.

REP. FONFARA: (4th)

Thank you, Madam Speaker. Specifically it is addressing certain aspects of the bill. Section 20 would extend language concerning expense to premium ratios concerning Medicare supplementary policies to be applicable when the policies are continued or renewed in addition to the initial writing of the policy.

In sections 22 and 23 it amends the statutory prohibitions currently in law on providing information about certain insurance guarantee associations. This has been done to provide information to consumers during a time when the fiscal health of insurance companies is a greater concern than might have been previously.

In section 27, the bill allows for the Commissioner of Insurance to waive certain miscellaneous insurance line exams when he or she sees that it would be appropriate. For example, if someone wanted to write, or a company wanted to write involuntary unemployment credit insurance, which is a very specific line of insurance, the Commissioner would be allowed to, this law would allow the Commissioner to waive that exam.

I urge passage of the bill Madam Speaker.

DEPUTY SPEAKER POLINSKY:

The question is on passage, Representative Ward.

REP. WARD: (86th)

Thank you, Madam Speaker. Just a couple of questions through you to the proponent of the bill.

DEPUTY SPEAKER POLINSKY:

Certainly sir.

REP. WARD: (86th)

Representative Fonfara, drawing your attention to line 18 of the bill where we add person to the list of people if they are agreed by the decision, may take an appeal. Through you, Madam Speaker. As I understand the process right now, an insurer can file an advance for a rate increase, have that approved without a hearing by the Commissioner. Does this mean that any citizen now can appeal that decision, can appeal that rate increase. So we are giving a direct right of appeal of rate increases through the rate change, through you, Madam Speaker.

DEPUTY SPEAKER POLINSKY:

Representative Fonfara.

REP. FONFARA: (4th)

Through you, Madam Speaker. It is my understanding that what this is attempting to do is to extend the opportunity for requesting a hearing to brokers or agents as opposed to just the insurance company, or the

insurer, him or herself.

DEPUTY SPEAKER POLINSKY:

Representative Ward.

REP. WARD: (86th)

Thank you, Madam Speaker. I think I understand the answer, but I don't know how, if you say person, you can say it only means an agent, through you, Madam Speaker, if you want to say an agent can bring that appeal, wouldn't you have used that term, a licensed real estate agent? And I guess, through you, not what's intended but do you believe this language would allow me as a citizen, if I was upset with a rate increase order, to take an appeal and demand a hearing of the Commissioner? Through you, Madam Speaker, is that what this language would allow?

DEPUTY SPEAKER POLINSKY:

Representative Fonfara.

REP. FONFARA: (4th)

Through you, Madam Speaker. It is my understanding in discussions a short while ago with individuals from the Insurance Department, that would not be the intent of this language. It would again, be addressing people who are, who would, the Insurance Department would have jurisdiction over currently.

DEPUTY SPEAKER POLINSKY:

Representative Ward.

REP. WARD: (86th)

I appreciate the language for intent, and I guess if it is ambiguous that might help. However, I think we may be faced with this language in the bill, with citizens, without intending in giving them that right, to have, in fact, to have given them that right.

Through you, I was also looking for the definition in the bill of a residual market mechanism, because I don't understand exactly what that is. And I wondered, through you, Madam Speaker to Representative Fonfara, I wondered if that was defined somewhere in our statutes?

DEPUTY SPEAKER POLINSKY:

Representative Fonfara.

REP. FONFARA: (4th)

Through you, Madam Speaker. To be perfectly honest, I don't know the answer to that Representative.

DEPUTY SPEAKER POLINSKY:

Representative Ward.

REP. WARD: (86th)

Thank you, Madam Speaker. I wish that were a rhetorical question and I knew the answer, but I don't either. I would hope that somebody in the Chamber might know, since we are adding that to our statutes.

Another question, Madam Speaker. Addressing lines 113 to line 118 of the bill, it indicates that we are making a change that now the insurance carriers will pay 100% of the cost. Previously they paid 80% of the cost of the Department, and 20% went to certain types of medical providers. And as there are now no medical providers, through you, Madam Speaker, currently are we charging the insurance industry 100% or 80% as the statute says without making this change.

DEPUTY SPEAKER POLINSKY:

Representative Fonfara.

REP. FONFARA: (4th)

I'm sorry Madam Speaker. If that question could be asked again, I apologize. I was being addressed on another issue.

DEPUTY SPEAKER POLINSKY:

Representative Ward.

REP. WARD: (86th)

I do see the distinguished Chairman of the Judiciary Committee, though, that can sometimes be a might distracting Madam Speaker.

My question was in the provision of the bill around line 118, where it indicates that insurance companies, instead of paying 80% will pay 100% of the cost to the department, if there is no medical company currently

being regulated. It is my understanding that there are non now being regulated. In this past budget year, have we charged the insurance company 80% or 100% of the cost to the department?

DEPUTY SPEAKER POLINSKY:

Representative Fonfara.

REP. FONFARA: (4th)

Through you, Madam Speaker. I think the gentleman raises some good questions, and I think I would like an opportunity to address those.

DEPUTY SPEAKER POLINSKY:

Representative Ward, you still have the floor.

REP. WARD: (86th)

Madam Speaker, I would like at this time to yield to the distinguished Majority Leader.

DEPUTY SPEAKER POLINSKY:

Thank you sir, Representative Frankel.

REP. FRANKEL: (121st)

Madam Speaker, I accept the yield. At this time I move this item be passed temporarily.

DEPUTY SPEAKER POLINSKY:

The gentleman has requested that this item be passed temporarily. Is there objection? Without objection, so ordered.

CLERK:

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Madam Speaker.

DEPUTY SPEAKER POLINSKY:

Representative Frankel.

REP. FRANKEL: (121st)

I move this item be recommitted.

DEPUTY SPEAKER POLINSKY:

Motion is to recommit this item. Is there objection? Seeing none, so ordered.

CLERK:

Top of Page 4, please, 377, Substitute for Senate Bill 133, AN ACT CONCERNING REVISIONS AND TECHNICAL CHANGES TO THE INSURANCE STATUTES. Favorable Report of the Committee on Insurance and Real Estate.

DEPUTY SPEAKER POLINSKY:

Representative Fonfara.

REP. FONFARA: (4th)

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

DEPUTY SPEAKER POLINSKY:

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

REP. FONFARA: (4th)

Yes, Madam Speaker, this bill was called some time last week and was passed temporarily to address some of

the questions raised by a gentleman on the other side of the aisle.

If I could take a moment to address those issues. I think I move adoption first, Madam Speaker.

DEPUTY SPEAKER POLINSKY:

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

REP. FONFARA: (4th)

Yes, Madam Speaker.

DEPUTY SPEAKER POLINSKY:

Representative Fonfara.

REP. FONFARA: (4th)

A question was asked on line 6 of the bill if there was a definition in statutes of the residual market mechanism. Madam Speaker, the residual market mechanism is a technical phrase used in Connecticut insurance statutes for many years, having a peculiar and appropriate meaning in the law, and in fact, in our statutes in Subsection a of Section 11 of the General Statutes, it provides that in the construction of statutes, words and phrases, shall be construed according to the commonly approved usage of the language and technical words and phrases in such as have acquired a peculiar and appropriate meaning and the law shall be construed and understood accordingly.

It is the opinion of the Insurance Department that residual market mechanism has such a peculiar definition.

In line 18, the second question was whether a person would be allowed to, any individual ask for a hearing, the operative language in that particular section is aggrieved, and in determining whether a person is aggrieved, if we were to check the case law established in Connecticut, there are basically two standards.

The first is the party claiming aggrievement must successfully demonstrate the specific personal and legal interest in the subject matter of the decision. And second, that the party claiming the aggrievement must successfully establish that this specific personal and legal interest has been specially injuriously affected by the decision.

The third and final issue, Madam Speaker, that was raised last week was whether in line 90 of the bill, was whether the State has been picking up the difference of the 20% of the cost of the Insurance Department and the answer to that is no. One hundred percent of the costs have been picked up by the domiciled insurance companies in the State.

I move passage of the bill, Madam Speaker.

DEPUTY SPEAKER POLINSKY:

The question is on acceptance and passage. Will you remark further on this bill? If not, will all members please take their seats. 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, please. Members, please report to the Chamber. The House of Representatives is voting by roll.

DEPUTY SPEAKER POLINSKY:

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

The Chair would like to be recorded in the affirmative. The Clerk will announce the tally.

CLERK:

Senate Bill 133.

Total number voting	144
Necessary for passage	73
Those voting yea	141
Those voting nay	3
Those absent and not voting	7

DEPUTY SPEAKER POLINSKY:

The bill is passed.

REP. FRANKEL: (121st)

Madam Speaker.

DEPUTY SPEAKER POLINSKY:

Representative Frankel.

REP. FRANKEL: (121st)

Madam Speaker, at this time I should like to move for the suspension of our rules for the transmittal of all items of business acted upon today which requires further action by the Senate.

DEPUTY SPEAKER POLINSKY:

Motion is to suspend the rules to send those bills which require Senate action up to the Senate. Is there objection? Seeing none, so ordered.

Representative Frankel.

REP. FRANKEL: (121st)

Madam Speaker, at this time, I'd like to move that all double starred items not acted upon be passed retaining their place on the Calendar.

SPEAKER BALDUCCI:

Is there objection? Seeing none, it is so ordered. Other announcements or points? Representative Mintz.

REP. MINTZ: (140th)

Yes, Mr. Speaker. Judiciary, for purposes of an

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Appropriations.

THE CHAIR:

Is there any objection in referring Senate Calendar No. 115, Substitute for Senate Bill No. 334 to the Committee on Appropriations? Is there any objection? Hearing none, it is so ordered. Senator O'Leary.

SENATOR O'LEARY:

On Page 3, Calendar No. 120 is Passed Retaining. 141 is Passed Retaining. 156 is Passed Temporarily. 160 is Passed Temporarily. 161, Substitute for Senate Bill 133, I move to the Consent Calendar.

THE CHAIR:

Is there any objection in placing Senate Calendar No. 161, Substitute for Senate Bill No. 133 on the Consent Calendar? Is there any objection? Hearing none, so ordered.

SENATOR O'LEARY:

Calendar No. 179 is marked Passed Temporarily.

Page 4, Calendar 191 is marked Passed Retaining. 192 is Passed Retained. 201 is Passed Retained. 202, Substitute for Senate Bill No. 425 I refer to the Committee on Appropriations.

THE CHAIR:

Is there any objection in referring Senate Calendar No. 202, Substitute for Senate Bill No. 425 to the

THE CLERK:

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

THE CHAIR:

Thank you very much, Mr. Clerk. The issue before the Chamber is Consent Calendar No. 1 for Wednesday, April 15, 1992. The Clerk will call the items. Thank you.

THE CLERK:

Consent Calendar 1 begins on Calendar Page 1, Calendar No. 22, House Joint Resolution No. 77.

Calendar Page 3, Calendar No. 161, Substitute for Senate Bill 133.

Calendar Page 5, Calendar 205, Senate Bill 412. Calendar 211, Substitute for Senate Bill 91.

Calendar Page 6, Calendar 214, Substitute for Senate Bill 391. Calendar 223, House Bill No. 5096.

Calendar Page 7, Calendar 224, Substitute for House Bill 5491. Calendar 225, Substitute for House Bill 5442. Calendar 226, Substitute for House Bill 5573. Calendar 227, Substitute for House Bill 5618.

Calendar Page 10, Calendar No. 246, Substitute for

Senate Bill 453.

Madam President, that completes the first Consent Calendar.

THE CHAIR:

Thank you very much, Mr. Clerk. You've heard the items for the first Consent Calendar for Wednesday, April 15, 1992. The machine is on. You may record your vote.

I'm relieved to tell you this is the machine and not the Chair for a change.

The machine has now been repaired. We are now having a roll call vote on the first Consent Calendar for Wednesday, April 15th. The machine is on. You may record your vote. Thank you, Rose.

Senator Hale. Senator Aniskovich. Is Senator Hale here? He's coming. Is Senator Casey here? Have all Senators voted that wish to vote? Have all Senators voted that wish to vote? The machine is closed.

The result of the vote:

35 Yea

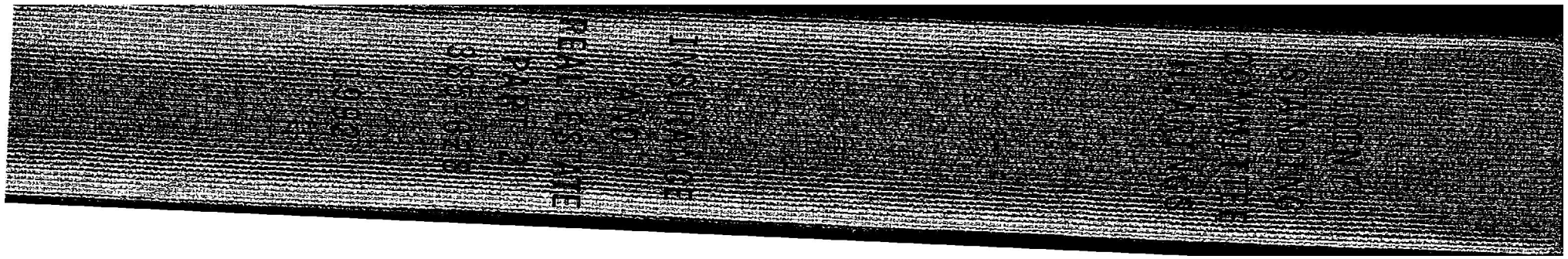
0 Nay

1 Absent

The Consent Calendar is adopted.

Okay, Mr. Clerk.

THE CLERK:



REP. FERRARI: And are these reimbursed? Are the costs reimbursed by third party people?

DR. ERVIN L. BETTS: Well, we've been asked by the -- it's been our interpretation of the law that we have to be present while the services are being delivered and we don't like to have to request insurance companies to cover any kind of treatment process where we have not been present to actually see it happen.

REP. FERRARI: Okay, well, thank you very much.

DR. ERVIN L. BETTS: Sure.

REP. BIAFORE: Just for your information, you do realize that the Section 38a-5114 where they're putting in the family and marriage therapists is the same as the one for social work?

DR. ERVIN L. BETTS: There's some difference in the way the wording is made, as I understand, in that there's no limitations here. They're asking that benefits be paid for services of a licensed physician or psychologist. Now that's pretty broad. That could mean anything that a physician or a psychologist does, they would seek the same kind of reimbursement and I'm concerned that that's awfully broad.

REP. BIAFORE: Thank you.

DR. ERVIN L. BETTS: Thank you.

REP. BIAFORE: Bob Kehmna.

ROBERT KEHMNA: Thank you, Mr. Chairman and members of the committee. My name is Bob Kehmna. I'm general counsel to the Insurance Association of Connecticut.

SB314
HB5591

First, I would like to express our support very briefly to the bills brought before you today by the Insurance Department, specifically SB132, SB133, HB5188 and HB5189 and HB5190. As to three of the bills, though, we have some short comments.

BETSY GARA: No, they would

REP. BIAFORE: Well, if COBRA was extended for an additional eighteen months, than if the policy that they were, their employer was paying the thirty five hundred, they would pay that for an additional eighteen months.

BETSY GARA: Right.

REP. BIAFORE: Plus the two percent.

BETSY GARA: Plus the two, yeah.

REP. BIAFORE: But if they didn't, if the law didn't pass, they would than have to pay probably eight thousand.

BETSY GARA: Well that is a consideration. I think

REP. BIAFORE: It would be cheaper for them to stay (inaudible) than it would be to go on an individual policy that's what I'm saying.

BETSY GARA: Arguably, yeah.

REP. BIAFORE: Yeah, okay.

REP. BIAFORE: Jay Jackson.

JAY JACKSON: Good afternoon, my name is Jay W. Jackson and I'm representing the National Association of Independent Insurers and I want to say good afternoon to Representative Biafore and Senator Johnston and those members of the committee who are here. The NAII is a National Association representing five hundred and sixty insurance companies throughout the United States. However, in Connecticut, you should be aware that over fifty of those companies write over twenty five percent of the automobile business in the State of Connecticut, and they do a significant amount of other business in the State of Connecticut.

We want to compliment Commissioner Googins and (inaudible) staff for the fine work that they have done in putting together the package of solvency Bills SB132, SB133, HB5190 and in particular HB5189

HB5189. There are just a couple of very minor points which I'd like to call to the committee's attention. In HB5189, on Page 36, it talks about the lesser of three percent of the insurance companies admitted assets or twenty five percent of surplus as regards policyholders. It is our understanding that the NAIC, which originally came up with these percentages, is reassessing these figures, and they may modify them or change them or eliminate them completely. If this were to occur, we would ask you to then make appropriate adjustments in our law.

There are also a few other minor points which I spoke to the commissioner and his staff about, and we would hope that we would be able to get some input into the minor, technical changes which are being prepared for your consideration. But, on the whole, we feel that the Bills that have been presented that are very important to the State of Connecticut, and we urge their adoption, with out without the fine tuning modifications.

REP. BIAFORE: Thank you Jay. If there are those any recommended changes if you could put them in writing, and give them to the commissioner or our staff, I'm sure we would look them over. On your first point, we have to wait and see if there are changes in the, you know, before we can make any changes if there are, we probably could do it next year.

JAY JACKSON: Thank you. But I just want to call it to your attention that there is this, this question is be revisited, and we wouldn't want you to feel that this is something that should be locked in concrete for the eternity.

REP. BIAFORE: We know that (inaudible).

JAY JACKSON: Thank you very much.

REP. BIAFORE: John Mattas.

JOHN MATTAS: Good afternoon Chairman and committee members. I'm John Mattas, I'm an Attorney for the Association of Child Caring Agencies, and as a member agency, we're in the business of serving children and families throughout the State of

HB5587

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STATE OF CONNECTICUT
INSURANCE DEPARTMENT

Insurance and Real Estate Committee
March 5, 1992

Raised Bill 132: An Act Concerning Revisions and Technical Changes to the Insurance Statutes.

Raised Bill 133 is an Insurance Department bill, which proposes to make a number of minor or technical changes to the insurance statutes which were extensively revised and recodified January 1, 1991. These changes and corrections, if enacted this year, will permit the State to incorporate them into the new statute books which will be published January 1, 1993.

Section 1. (lines 19-20) Section 38a-17 gives the Insurance Commissioner authority to order an insurer to cease illegal or improper methods of doing business and to adjust and pay its obligations as they become due. The proposed amendment to this statute will broaden its scope to authorize such orders against a fraternal benefit society, health care center or a residual market mechanism.

Section 2. (lines 30, 32) Section 38a-19(a) entitles any insurer which is aggrieved by an order or decision of the Insurance Commissioner made without a hearing to request a hearing thereon, and pending such hearing, request a stay of the underlying decision. The effect of this statute is to give the insurer the legal basis to seek judicial review of the Commissioner's decision if it remains aggrieved. The proposed amendment will broaden this statute to include any person who is aggrieved by an order or decision made without a hearing to request one.

Section 3. (lines 67-73) Section 38a-25(a) lists seven categories of entities for which the Insurance Commissioner acts as agent for service of legal process. Lines 67-68 will add an eighth category consisting of the two insurance guaranty funds to the list. Lines 69-71 will add a ninth category to this list consisting of insurance companies assuming reinsurance from Connecticut domiciled insurers pursuant to Public Act 90-41. Lines 72-73 will add a tenth category to this list to include non-resident brokers. This latter category merely codifies a long-standing practice of the Department to require, for the benefit of Connecticut residents, that such brokers appoint the Insurance Commissioner agent for service of legal process.

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Section 4 (line 78) will reduce the number of copies of legal process which must be served on the Insurance Commissioner as agent for service of process from three copies to two copies. This will reduce unnecessary expense to litigants whi must pay for each extra page that must be copied and served on the Commissioner.

Section 5 (lines 106-112) will amend Section 38a-48(c) governing the assessments to be paid by insurers for the expenditures of the Insurance Department to take into account the situation (which exists presently) when there are no hospital or medical service corporations organized under State law doing business in the state.

Section 6 (lines 130-141) will remove a technical flaw that exists in Section 38a-154 governing the filing of the Insurance Commissioner's approval of a proposed merger or consolidation of an insurance company. The statute's reference to the filing with the Secretary of the State a copy of the "directors' agreement" describing the terms of the merger or consolidation, has been changed to require the filing of the "certificate of merger or consolidation." The Office of the Secretary of the State has assisted the Department in developing the text of this revision.

Section 7 (lines 150-152) substitutes references to the phrase "excess lines" with "surplus lines" for consistency with other insurance statutes.

Sections 8 through 17 of Raised Bill 133 will amend our insurance statutes concerning no-fault automobile insurance by deleting the extraneous references to section 38a-19 governing requests for hearings (discussed above in Section 2). This revision will not in any way change the substance of the statute. Indeed, prior to the 1991 recodification of the insurance laws, these statutes did not directly refer to this statute governing requests for a hearing before the Insurance Commissioner by an insurer aggrieved by an order of the Commissioner made without a hearing.

Section 18 (lines 484-487; 544-546) will correct an error that arose when the new statutes were printed, revised to January 1, 1991. Through an error, subsections (c) and (g) of section 38a-457 should refer to both section 38a-501 and section 38a-528 (i.e., both individual and group long-term care policies).

Section 19 (lines 571-573) amends subsection (b) of section 38a-458 governing life insurance policies providing long-term care benefits to correct the same mistake noted in Section 18 of this bill.

Section 20 makes three changes to section 38a-473, the statutes concerning expense factors governing Medicare supplement insurance rates. (1) Lines 583-584 adds the words "continued or renewed" to take into account the situation when

an insurer no longer sells Medicare supplement insurance in the state, but nevertheless seeks a rate increase on the business it had previously written. (2) Lines 586-587 deletes the incorrect reference to section 38a-528 which relates to long-term care insurance. (3) Line 589 adds the words "for all lines of health insurance" to clarify that an insurer may not incorporate in its rates for Medicare supplement insurance factors for expenses which exceed 150% of the average expense ratio for the entire written premium for all lines of health insurance. Some Medicare supplement insurers, such as Prudential, write other lines of insurance such as life insurance; these non-health insurance lines (which usually have a lower expense ratio) should be excluded when calculating the average expense ratio of an insurer under this statute.

Section 21 will delete extraneous and confusing references to statutes in section 38a-688 governing rates for personal risk property and casualty insurance. As noted below, the sections to be deleted have nothing to do with rates or marketing; they were added to this statute by the legislative codifiers when the statutes were revised effective January 1, 1991.

(lines 619-623) § 38a-343(a) - notice of cancellation of automobile insurance policy.
(lines 683-687) § 38a-358 - restrictions on declination/nonrenewal of automobile insurance policy.
(lines 715-718) § 38a-663 - definitions.
(lines 723-727) § 38a-680 - penalties.
(lines 740-743) § 38a-816(a) - unfair trade practices: failure to pay for constructive total loss of car.

Sections 22 and 23 will amend the statutory prohibitions on using the protection provided by the two insurance guaranty associations in the marketing of insurance. These statutes, sections 38a-852 and 38a-871(e) make such conduct a prohibited unfair trade practice. The proposed amendments to each section will clarify the Insurance Commissioner's enforcement authority by expressly referencing the unfair trade practices act.

In response to the Insurance Commissioner's concern about the erosion of public confidence in the financial stability of the insurance industry, the State's two insurance guaranty associations, at his direction, recently published a pamphlet which describes the safety net in place for the consumers in the form of insurance guaranty fund protection. To further the goal of educating the consumer about the existence of such protection available to them, the Insurance Commissioner has gained the support of the local insurance industry and the insurance agents to make one further change to each statute.

In line 771, after the end of the sentence, the following sentence should be inserted:

"PROVIDED HOWEVER THAT THIS SECTION SHALL NOT APPLY TO THE DISTRIBUTION OF ANY PUBLICATION APPROVED BY THE COMMISSIONER AND DESCRIBING THE GENERAL PURPOSES AND CURRENT LIMITATIONS OF SECTIONS 38a-836 TO 38a-853, INCLUSIVE."

In line 781, after the end of the sentence, the following sentence should be inserted:

"PROVIDED HOWEVER THAT THIS SUBSECTION SHALL NOT APPLY TO THE DISTRIBUTION OF ANY PUBLICATION APPROVED BY THE COMMISSIONER AND DESCRIBING THE GENERAL PURPOSES AND CURRENT LIMITATIONS OF SECTIONS 38a-858 TO 38a-874 INCLUSIVE."

Section 24 will amend Public Act 91-305, An Act Concerning Utilization Review, to remove a glaring discrepancy between one provision that requires all UR licenses to be renewed on a biennial basis, and the other that refers to an annual license fee for such license. The proposed change will provide consistency by having the licenses renewed on an annual basis.

Section 25 will repeal several sections: (A) Sections 38a-94 to 38a-1-1 concern investments by domestic life insurers. Public Act 91-263, passed last year concerning insurer investments, was intended to displace or supercede these antiquated investment provision. They should have been repealed upon the effective date of that act. (B) Sections 38a-448 and 38a-449 were enacted in 1887 and should have been replaced in 1990 when section 38a-447 was amended to create a general prohibition against discrimination on account of race rather than its original reference to persons of African descent. The Connecticut Insurance Information and Privacy Protection Act which was passed in 1981 requires an insurer to provide its reasons for any adverse underwriting decision (§ 38a-985), thereby making section 38a-448 superfluous. Moreover, the $100 penalty provision of section 38a-449, if repealed, will remove the existing inconsistency in other more severe penalty provisions which would be applicable for unlawful discrimination by a life insurance company. Finally, the repeal of these statutes will remove from the General Statutes of Connecticut the archaic language, now considered offensive, used when referring to African Americans as "colored" persons. (C) The remaining sections to be repealed, sections 38a-966 to 38a-970 are very old statutes that governed the liquidation of life insurers up until 1979 when Connecticut adopted the NAIC Model Insurers Supervision, Rehabilitation and Liquidation Act.

Though not included in the text of Raised Bill 133, the Insurance Department asks that this Committee add two additional sections to this bill. The first additional section would correct the statutory references within section 38a-531 concerning group health insurance mandates. The

statute in subsection (b), makes incorrect reference to five individual health insurance mandates: sections 38a-490, 38a-492, 38a-493, 38a-498 and 38a-499 which should be deleted and replaced with their group health insurance counterparts: sections 38a-516, 38a-518, 38a-520, 38a-525 and 38a-526.

The other new additional section to Raised Bill 133 the Department asks the Committee to consider, would amend subsection (b) of section 38a-769 which lists eleven categories of insurance for which the Insurance Commissioner may waive the examination required by section 38a-769. The amendment would add a twelfth category, consisting of any miscellaneous line of insurance that is so designated by the Insurance Commissioner pursuant to regulations adopted in accordance with Chapter 54 of the General Statutes.

Based on the above, the Insurance Department requests your favorable consideration of Raised Bill 133.

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Kelman

STATEMENT OF
INSURANCE ASSOCIATION OF CONNECTICUT
BEFORE THE INSURANCE AND REAL ESTATE COMMITTEE
REGARDING SB 133
THURSDAY, MARCH 5, 1992

The Insurance Association of Connecticut supports SB 133, An Act Concerning Revisions and Technical Changes to the Insurance Statutes. The bill makes necessary clarifications and corrections to existing statutes and repeals outdated statutes, and we request that it be given favorable consideration.