

Legislative History for Connecticut Act

HB 6802	PA 200	1997
Senate- 2895-2906, 3038-3039, 8114-8116		(17)
HOUSE: 1594-1596, 2063, 3542-3547, 4657-4664		(18)
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Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate and House of Representatives Proceedings

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THE CHAIR:

Senator Smith.

SEN. SMITH:

Okay. Since I sense that that is the only answer that I'm going to get now, I'm not going to ask for a response. Thank you Madam President.

THE CHAIR:

Thank you sir. Will you remark further on the bill as amended? Will you remark further? Senator Daily.

SEN. DAILY:

Thank you. If there's no objection, I would move this to Consent Calendar.

THE CHAIR:

Motion is to refer this item to the Consent Calendar. Without objection, so ordered.

THE CLERK:

Calendar Page 17, Calendar 546, Files 285 and 825, Substitute for HB6802. AN ACT CONCERNING VIATICAL SETTLEMENT MONITORING. As amended by House Amendment Schedules A, LCO-8845, and B, LCO-8536. Favorable Report of Committee on Insurance and Real Estate, Judiciary, and Finance. Clerk is in possession of three Amendments.

THE CHAIR:

Senator Bozek.

SEN. BOZEK:

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

THE CHAIR:

Question is on passage in concurrence with the House. Will you remark?

SEN. BOZEK:

Yes, Madam President, I'd just like to enumerate briefly on this particular bill, get back to it, and enumerate a little bit, call the Amendment, and then get back to it. The viatical settlement is a product of the insurance company whereby, doesn't have to be insurance company, could be an individual as it would turn out, and I could explain that.

Would be one where a settlement in a transaction between the owner or somebody who has a life insurance policy that insures a person who has catastrophic illness would be able to, for example, sell their insurance policy. And in this regard, there's an Amendment I'd like to call, LCO-8895 please.

THE CLERK:

LCO-8895, which will be designated Senate

Amendment Schedule A. It is offered by Senator Bozek of the 6th District, et al.

THE CHAIR:

Senator Bozek.

SEN. BOZEK:

Madam President, this Amendment has some technical language in here and clarifies some of the definitions, and it adjusts within the definition, within the bill, to protect the industry and the viator against people who might have, who might be felons, who would be involved in this particular insurance product.

And the purpose for that was that we obviously don't want to have somebody who has a felonious background be involved in an area where they're marketing this type of a product.

And basically what we've done is, we've improved the language to provide that besides no employee would have been a felon, no major stockholder would be of a felonious background, who would be involved in this particular product because of its marketability. And I move for its adoption, it's adoption.

THE CHAIR:

Question is on adoption of Senate Amendment A. Will you remark further? Will you remark further? If not, I will try your minds. All those in favor

indicate by saying aye.

SENATORS:

Aye.

THE CHAIR:

Opposed nay. Aye's have it. Senate A is adopted.

Will you remark further on the bill as amended?

Senator Bozek.

SEN. BOZEK:

Madam President, this particular bill would allow, as I said earlier, an insurance company guided by the, be guided by, Madam President, regulations. This particular product, if not, would be helter-skelter in our state.

The Insurance Commissioner will develop regulations that are model regulations that exist in other states. And we feel that strongly that this particular product will be a viable product under his control.

It would not preclude a family member, which would be defined in the statute, as to possibly becoming a viator and purchasing the product from, say, some family member. The situation might be someone in the family who is successful and wishes to purchase the product at a good terms from a family member, and offering them the value or some degree of the value of

their particular product without them having to negotiate with the viatical insurance company. I move for its passage.

THE CHAIR:

Question is on passage of the bill as amended. Will you remark further? Senator DeLuca.

SEN. DELUCA:

Thank you Madam President. While I support regulations concerning viatical settlement monitoring, I'm a little bit confused by the previous explanation. And if I may, through you, a question to the proponent of the bill.

THE CHAIR:

Please proceed.

SEN. DELUCA:

Would you please explain that, Senator, what you keep referring to "the product" could you tell, could you explain to me what the product is? I'm under the understanding here we're talking about, you mentioned insurance companies, and the product. That confuses me somewhat.

THE CHAIR:

Senator Bozek.

SEN. BOZEK:

Thank you very much Senator DeLuca for asking that

question. Madam President, coming into the Insurance Committee area there are some new terms to learn and I think one of these terms deals with product. Just as in possibly banking, an ATM legislation and machine is a product that's of marketing that the banks would offer for us to utilize in some service.

In insurance area here, I meant to state that this is a product of, would be a product of mostly insurance companies. And this particular means that this would be something that they would be able to offer the public as an opportunity in the way of marketing their ability for a person who owns an insurance policy to sell back to them.

THE CHAIR:

Senator DeLuca.

SEN. DELUCA:

Thank you Madam President. I think I'm a little bit more confused.

SEN. BOZEK:

Alright let me.

THE CHAIR:

Senators.

SEN. DELUCA:

If I may, if I may try to make something out of that last answer.

SEN. BOZEK:

Alright.

SEN. DELUCA:

I don't believe insurance companies are selling a product in this instance. I believe they have already sold the product which is an insurance policy. And there are companies out there that will purchase this policy from someone who has a catastrophic illness and so that they can use the monies derived from this so that they can help pay the bills while they're still with us.

I believe that's what we're talking about. I don't believe the insurance companies are doing anything. They have already sold their product, which is a life insurance policy. And I believe this, this pertains to those companies that are in the business of buying the policies.

Hence, the viatical settlement and the monitoring of those companies so that they would not take advantage of people in these dire circumstances. Am I correct in that Senator?

THE CHAIR:

Senator Bozek.

SEN. BOZEK:

I think maybe not, from my understanding of this

bill as it has gone through us. I do know that the viatical settlement providers, they're not banks or credit unions, or other licensed lending institutions. It was a factor of coming through insurance, because I believe while you may have an insurance policy, I believe that the viatical providers could also be, I would, so no prohibition could be also divisions, or subdivisions of insurance companies.

And, therefore, one insurance company I would imagine could have a division which would be their viatical settlement division. So, I would think that it's appropriate a part of an insurance company.

THE CHAIR:

Senator DeLuca.

SEN. DELUCA:

Thank you Madam President. I don't believe I said that they couldn't. I just said the product is the insurance policy. The viatical settlement can be a company engaged in that business. It could be a subsidiary of anybody else that you want.

I'm not saying that. It's all I'm suggesting is the insurance companies are not selling this product. This they have already sold the insurance policy. We are talking about regulations that the Insurance Commissioner would, to monitor these companies that buy

these policies, so that we have some control, and people in these circumstances could not be, because of their circumstance and in need of money, be taken advantage of. I believe that's correct. Rather than prolong this.

If I'm wrong we can debate it later, but I think I am right in this. And I do support the monitoring of it. I'm not trying to confuse it. I just want to make sure for legislative intent, that everybody understands what we're voting on. Thank you Madam President.

THE CHAIR:

Thank you sir. Will you remark further on the bill as amended? Will you remark further? Senator Prague.

SEN. PRAGUE:

Thank you Madam President. Madam President, the Clerk has in is possession, LCO-9700. Would he call, and I ask permission to summarize.

THE CLERK:

LCO-9700, which will be designated Senate Amendment Schedule B. It's offered by Senator Prague of the 19th District.

THE CHAIR:

Senator Prague, the Amendment is in your possession.

SEN. PRAGUE:

I move adoption, Madam President.

THE CHAIR:

Question is on adoption. Will you remark?

SEN. PRAGUE:

Thank you. I'd like to summarize this Amendment. What this Amendment does is to give intervenor status in a hearing held before the Insurance Department to people who are consumers or policy holders, or employees, making allegations in good faith that he may be affected by a change of control of the company.

For instance, when Aetna merged with US Health Care, there was a hearing held here at the capitol, and people who were policy holders, people who had a sincere and deep interest in this hearing were not allowed to have an intervenor status.

The same thing will happen with Blue Cross's merger which will soon take place. And it is important to protect consumers by allowing intervenor status. This is a very important consumer Amendment.

THE CHAIR:

Thank you Senator Prague. Will you remark further on Senate Amendment B? Will you remark further? If not, I'll try, Senator Upson.

SEN. UPSON:

Through you Madam President. That's intervenor status in a lawsuit, is that what you were saying?

Through you Madam President to Senator Prague.

THE CHAIR:

Senator Prague.

SEN. UPSON:

Wait a minute, I can't hear.

THE CHAIR:

Senator Prague.

SEN. PRAGUE:

Through you Madam President, to Senator Upson. No, not in a lawsuit, but at a hearing where the acquiring party, the plans or proposals which the acquiring party has to liquidate the insurance company, sell its assets, or consolidate or merge it. These are insurance hearings on mergers.

THE CHAIR:

Senator Upson.

SEN. UPSON:

Through you Madam President. Do we not have a consumer account? We do not, I'm not sure we do in the Insurance Department. Through you Madam President.

THE CHAIR:

Senator Prague.

SEN. PRAGUE:

Excuse me, Madam President, I did not hear the question.

SEN. UPSON:

Oh, I'm sorry.

THE CHAIR:

Senator Upson would you repeat the question.

SEN. UPSON:

Do, what role does the Insurance Department play within a merger? Do we have a consumer council, or do we have someone that handles an intervening status, intervenor status. Said it wrong.

THE CHAIR:

Senator Prague.

SEN. PRAGUE:

Madam President, I'd like to request that we PT this bill for the moment.

THE CHAIR:

Without objection, this item will be passed temporarily.

SEN. PRAGUE:

Thank you.

THE CLERK:

Calendar Page 18, Calendar 551, Files 77, 656 and 819, Substitute for HB5083. AN ACT CONCERNING COLLECTIVE BARGAINING RIGHTS AND RETIREMENT BENEFITS OF

this time to do three more bills, which should take us to about four o'clock this morning. Then we'll break for breakfast, come back, no. What we are looking at is Page 17, Calendar 546, to be followed by Page 20, Calendar 167, and then finally, Page 7, Calendar 402. If the Clerk could please call these in that order.

THE CLERK:

Turning to Calendar Page 17, Calendar 546, Files 285 and 825, Substitute for HB6802. AN ACT CONCERNING VIATICAL SETTLEMENT MONITORING. As amended by House Amendment Schedule A, and B. Favorable Report of the Committee on Insurance and Real Estate, Judiciary, Finance Revenue and Bonding.

The bill was previously called. Senate Amendment Schedule B, which was LCO-9700, was offered, and at that point the matter was passed temporarily. LCO-9700, which was designated Senate B, was offered by Senator Prague.

THE CHAIR:

Senator Prague.

SEN. PRAGUE:

Thank you Madam President. Madam President, I'm going to withdraw that Amendment.

THE CHAIR:

Without objection, Senate B will be withdrawn.

Will you remark further on the bill as amended?

SEN. BOZEK:

Madam President, seeing there's no.

THE CHAIR:

Senator Bozek.

SEN. BOZEK:

Thank you Madam President. Madam President, if there's no objection, I'd like to move this to the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

THE CLERK:

Calendar Page 7, Calendar 402, File 630, Substitute for SB1175. AN ACT CONCERNING MINOR AND TECHNICAL CHANGES TO CORPORATION BUSINESS TAX CREDITS. Favorable Report of Committee on Finance Revenue and Bonding. Correction Madam President. I believe I was supposed to go to Page 20.

Calendar Page 20, Calendar 167, File 194, Substitute for SB427. AN ACT REQUIRING DISCLOSURE OF THE DEALER PROCESSING FEE. Favorable Report of the Committee on Transportation, and General Law. Clerk is in possession of three Amendments.

THE CHAIR:

Senator Ciotto.

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

Madam President, the fifth Consent Calendar begins on Calendar Page 7, Calendar 402, Substitute for SB1175.

Calendar Page 14, Calendar 525, Substitute for HB6211.

Calendar Page 19, Calendar 552, Substitute for HB6960.

Calendar Page 20, Calendar 167, Substitute for SB427.

Calendar Page 17, I skipped over, it's Calendar 546, Substitute for HB6802.

Calendar Page 23, Calendar 276, Substitute for SB212.

Calendar Page 27, correction, Calendar Page 26, Calendar 393, Substitute for SB414.

Calendar Page 27, Calendar 412, Substitute for SB1233.

Calendar Page 28, Calendar 466, Substitute for SB287.

Calendar Page 35, Calendar 426, Substitute for

SB902.

Calendar Page 36, Calendar 469, Substitute for
SB990.

Madam President, I believe that completes the fifth Consent Calendar.

THE CHAIR:

Thank you sir, would you once again announce a roll call vote, the machine will be open.

THE CLERK:

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:

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

THE CLERK:

Motion is on the adoption of the Consent Calendar No. 5.

Total Number Voting	35
Those Voting Yea	35
Those Voting Nay	0
Those absent and not voting	1

THE CHAIR:

The Consent Calendar is adopted. At this time the Chair will entertain points of personal privilege, or announcements. Senator Peters.

SEN. PETERS:

Thank you Madam President. The 10:00 a.m. Joint Committee meeting of Energy and Technology, and Appropriations, to do the petroleum restitution settlement plan, will be postponed until Friday morning at 10:00 a.m. Thank you.

THE CHAIR:

Thank you. Senator Harp.

SEN. HARP:

Thank you Madam President. The Public Health Committee will meet Friday at 10:00 in room 2b.

THE CHAIR:

Are there other announcements or points of personal privilege? Senator Eads.

SEN. EADS:

Thank you Madam President. I'd like the Journal to note that Senator Scarpetti has missed the last few votes because of illness.

THE CHAIR:

The Journal will so note. Are there other announcements? Senator Jepsen.

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House of Representatives

April 22, 1997

Minority Leader is in the possession of the Clerk.

SPEAKER LYONS:

The Chair, once again, recognizes Representative Cardin.

REPRESENTATIVE CARDIN: (53rd)

Madam Speaker, I have a list of bills to be referred to committee. And if you will bare with me -- I would move the following bills under House Rule 20(e):

To the Committee on Judiciary HB6885, to the Committee on Judiciary HB6714, to the Committee on Judiciary HB6563, to the Committee on Judiciary HB6899, to the Committee on Public Health HB6949, to the Committee on Transportation HB6211, to the Committee on Public Health HB6944, to the Committee on Public Health HB6920, to the Committee on Judiciary HB6802, to the Committee on Planning and Development HB6749, to the Committee on Judiciary HB6577, to the Committee on Public Health HB6897, to the Committee on Judiciary HB6919, to the Committee on Planning and Development HB6818, to the Committee on Insurance and Real Estate HB6409, to the Committee on Insurance and Real Estate HB5647, to the Committee on Commerce HB5751, to the Committee Human Services HB6369, to the Committee on Legislative Management HB6368, to the Committee on

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House of Representatives

April 22, 1997

Commerce HB6466, to the Committee on Judiciary HB6572,
to the Committee on Public Health HB6641, to the
Committee on Public Health HB6884, to the Committee on
Human Services HB6932, to the Committee on Public
Safety HB6797, to the Committee on Environment HB6754,
to the Committee on Public Health HB6798, to the
Committee on Insurance and Real Estate HB6940, to the
Committee on Legislative Management HB5863, to the
Committee on General Law HB6817, to the Committee on
Judiciary HB6947, to the Committee on Insurance and
Real Estate HB6839, to the Committee on Public Safety
HB5979, to the Committee on Environment HB6587, to the
Committee on Commerce HB6841, to the Committee on
Government Administration and Elections, to the
Committee on Planning and Development HB6744, to the
Committee on Human Services HB5151, to the Committee on
Insurance and Real Estate HB6936, to the Committee on
Legislative Management HB5792, to the Committee on
Legislative Management HB6579, to the Committee on
Judiciary HB6542, to the Committee on Insurance and
Real Estate HB6583, to the Committee on Judiciary
HB6630, to the Committee on Government Administration
and Elections HB6948, to the Committee on Government
Administration and Elections HB5525. And last, but not
least, to the Committee on Public Safety HB6900.

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House of Representatives

April 22, 1997

SPEAKER LYONS:

Are there any objections? Hearing no objections, they will be referred to those appropriate committees.

THE CLERK:

Madam Speaker, there's no further business on the Clerk's desk.

SPEAKER LYONS:

The Chair recognizes Representative Cardin.

REPRESENTATIVE CARDIN: (53rd)

Madam Speaker, for a point of personal privilege.

SPEAKER LYONS:

Sir, please proceed.

REPRESENTATIVE CARDIN: (53rd)

On your behalf and the rest of the General Assembly I'd like to welcome the students from Sacred Heart university today. And by the looks of them I think, from your standpoint, I might be a little concerned that maybe one of them -- hopefully, at some point, one them someday will be your successor.

SPEAKER LYONS:

Thank you. Thank you for that. We certainly appreciate, and I, also, as with Representative Cardin would like to extend to each and every one of you a welcome to the Capitol. I'm delighted that you were able to come here today.

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House of Representatives

May 6, 1997

Thank you, Madam Speaker. I have a list of bills to be referred to committee. I would move the following bills under House Rule 20(e):

To the Committee on Government Administration and Elections, Bill No. 6691, to the Committee on Public Safety, Bill No. 7031, to the Committee on Environment, Bill No. 214, to the Committee on Government Administration and Elections, Bill No. 7034, to the Committee on Public Safety, Bill No. 7035, to the Committee on Human Services, Bill No. 5461, to the Committee on Public Safety, Bill No. 7067, to the Committee on Legislative Management, Bill No. 6948, to the Committee on Appropriations, Bill No. 5525, to the Committee on Planning and Development, Bill No. 6920, to the Committee on Finance, Revenue and Bonding, Bill No. 6802, to the Committee on Judiciary, Bill No. 6797, to the Committee on Human Services, Bill No. 6947.

SPEAKER TRUGLIA:

Hearing no objection, so ordered.

THE CLERK:

Madam Speaker, there's no further business on the Clerk's desk.

SPEAKER TRUGLIA:

The Chair recognizes Representative Merrill.

REPRESENTATIVE MERRILL: (54th)

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House of Representatives

Thursday, May 22, 1997

Those voting Yea	135
Those voting Nay	0
Those absent and not Voting	16

SPEAKER RITTER:

The bill passes.

Clerk, please call LCO 257.

CLERK:

On page 28, Calendar 257, Substitute for House
Bill Number 6802, AN ACT CONCERNING VIATICAL SETTLEMENT
MONITORING. Favorable Report of the Committee on
Finance.

SPEAKER RITTER:

The hard working Representative from the 87th
district. You have the floor, sir.

REP. FONTANA: (87TH)

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

SPEAKER RITTER:

The motion is on acceptance and passage. Please
proceed, sir.

REP. FONTANA: (87TH)

Thank you, Mr. Speaker. Mr. Speaker, a viatical
settlement is a transaction between an owner of a life
insurance policy on a person with a terminal illness

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and an entity that provides value in return for the assignment, sale, or transfer of that policy or its death benefit.

This bill regulates viatical settlements and the activities of those that participate in this business. I move for its passage.

SPEAKER RITTER:

Thank you, sir. Will you remark further on the passage of House Bill 6802? Representative Fontana, you still have the floor, sir.

REP. FONTANA: (87TH)

Thank you. Mr. Speaker, the Clerk has an amendment, LCO 8845.

SPEAKER RITTER:

The Clerk indeed does have LCO 8845 which will be designated House "A". If he may call it and Representative Fontana would then like to summarize.

CLERK:

LCO Number 8845, House "A" offered by
Representative Amann.

SPEAKER RITTER:

Representative Fontana.

REP. FONTANA: (87TH)

Thank you, Mr. Speaker. Thank you for the permission to summarize. Mr. Speaker, this amendment

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allows insurance to assign, sell or transfer the death benefit for ownership of their life insurance policy. It also establishes the method for calculating the default amount payable to a viatical settlement provider upon the insured's death.

Finally, it specifies information that viatical settlement providers reasonably may request of life insurance companies, provides for a conversion of group life insurance policies to individual life insurance policies for the purpose of entering into viatical settlements and makes various technical changes.

I move for its adoption.

SPEAKER RITTER:

The question is on adoption of House "A". Will you remark further on the adoption of House "A"? Representative Belden.

REP. BELDEN: (113TH)

Thank you, Mr. Speaker. Mr. Speaker, in the amendment before us, it strikes line 489 to 494. I wonder if the gentleman could just indicate what the ramifications of taking the Commissioner's ability out of the file copy.

SPEAKER RITTER:

Representative Fontana.

REP. FONTANA: (87TH)

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Through you, Mr. Speaker. We intend to offer a subsequent amendment which will address lines 489 through 494 specifically. Through you.

REP. BELDEN: (113TH)

Thank you, Mr. Speaker. I haven't seen that amendment yet, so.

SPEAKER RITTER:

Typically, you are one step ahead of us.

REP. BELDEN: (113TH)

Fair warning. I have not seen that other amendment yet, sir.

SPEAKER RITTER:

We will catch up to you, Representative Belden.

Okay.

Will you remark further on House "A"? If not, I will try your minds.

All those in favor, signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER RITTER:

Opposed, no. House "A" clearly has it.

Representative Fontana, I guess there is a House "B".

REP. FONTANA: (87TH)

Thank you, Mr. Speaker. Will the Clerk please call an amendment, LCO 8536?

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SPEAKER RITTER:

Clerk has LCO 8536. If he may call it and then Representative Fontana would like to summarize.

CLERK:

LCO Number 8536, House "B" offered by Representative Amann.

SPEAKER RITTER:

Representative Fontana.

REP. FONTANA: (87TH)

Thank you, Mr. Speaker. This amendment is largely technical in nature and in addition to purely technical changes in lines 160, 400, and 469, it makes changes in lines 488 and 489 through 494 that bring the bill into conformance with current banking and insurance statutes which require that applicants or licensees pay the cost of examinations for investigations by the Commissioner of Insurance.

I move for its adoption.

SPEAKER RITTER:

The question is on adoption of House "B". Will you remark further on the adoption of House "B"? If not, I will try your minds.

All those in favor, signify by saying aye.

REPRESENTATIVES:

Aye.

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SPEAKER RITTER:

Opposed, no. House "B" clearly passes once again.

Would you remark further on this bill as amended by House "A" and House "B"? If not, 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 taking a roll call vote. Members to the Chamber, please.

SPEAKER RITTER:

Have all the members voted? Please check the roll call machine to make sure your vote is properly cast. If it has, the machine will be locked.

Clerk, please take the tally.

Clerk, please announce the tally.

CLERK:

House Bill Number 6802 as amended by House "A" and "B"

Total Number Voting	142
Necessary for Passage	72
Those voting Yea	142
Those voting Nay	0
Those absent and not Voting	9

SPEAKER RITTER:

The bill passes.

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House of Representatives

Friday, May 30, 1997

REP. GODFREY: (110TH)

Mr. Speaker, I would move that this item be referred to the Transportation Committee.

SPEAKER RITTER:

So ordered.

Clerk, please call Calendar 593.

CLERK:

On page 38, Calendar 593, Substitute for Senate Bill Number 1149, AN ACT CONCERNING THE HIRING OF CLIENTS OF THE BUREAU OF REHABILITATION SERVICES AND THE BOARD OF EDUCATION AND SERVICES FOR THE BLIND. Favorable Report of the Committee on Human Services.

SPEAKER RITTER:

Representative Godfrey.

REP. GODFREY: (110TH)

Mr. Speaker, I would move that this item be referred to the Education Committee.

SPEAKER RITTER:

It will be so ordered. Thank you, sir.

DEPUTY SPEAKER PUDLIN:

Clerk, please call Calendar 257.

CLERK:

On page 40, Calendar 257, Substitute for House Bill Number 6802, AN ACT CONCERNING VIATICAL SETTLEMENT MONITORING, as amended by House Amendment Schedules "A"

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and "B" and Senate Amendment Schedule "A" which was adopted on May 28th. Favorable Report of the Committee on Finance.

DEPUTY SPEAKER PUDLIN:

Representative Fontana.

REP. FONTANA: (87TH)

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

DEPUTY SPEAKER PUDLIN:

On acceptance and passage, will you remark, sir?

REP. FONTANA: (87TH)

Yes, sir. At this time I would like to yield to Representative Newton.

DEPUTY SPEAKER PUDLIN:

Representative Newton, do you accept that yield?

REP. NEWTON: (124TH)

Thank you, Mr. Speaker. I had an amendment drafted for this bill and it talks about discrimination on recreational and first of all, I would like to thank those colleagues who supported the amendment on territorial and geographical rates and for those 50 people plus that had the courage - 59 to understand that we really need to address the issue of discrimination not only in recreation, but also with

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auto policies. So I am not going to call this amendment, but I wanted to use this opportunity, Mr. Speaker, to say thank you and to prove that there is support in this Chamber for not just discrimination in recreation, but discrimination in auto.

So I would like to thank you. I will not call the amendment. I would like to yield back the balance of my time.

DEPUTY SPEAKER PUDLIN:

On time comments, I believe you have Senate amendments to take out, sir?

REP. FONTANA: (87TH)

Yes, Mr. Speaker. Thank you.

DEPUTY SPEAKER PUDLIN:

Proceed, sir.

REP. FONTANA: (87TH)

The Clerk has an amendment, LCO 8895 labelled Senate "A".

DEPUTY SPEAKER PUDLIN:

Back on program. Will the Clerk please call LCO 8895, previously designated Senate "A"?

CLERK:

LCO Number 8895, Senate "A" offered by Senator Sullivan, et al.

DEPUTY SPEAKER PUDLIN:

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House of Representatives

Friday, May 30, 1997

Would you care to summarize, sir?

REP. FONTANA: (87TH)

Yes. Thank you, Mr. Speaker.

DEPUTY SPEAKER PUDLIN:

Without objection, proceed.

REP. FONTANA: (87TH)

On May 22nd, the House passed House Bill 6802 which establishes a regulatory framework for viatical settlements in the activities of those that participate in this business.

Mr. Speaker, this amendment is largely technical in nature. In addition to strictly technical changes, the amendment modifies certain requirements in the bill that apply to stockholders of viatical settlement providers. The amendment limits the applicability of these requirements to majority stockholders of those viatical settlement providers.

I move for its adoption.

DEPUTY SPEAKER PUDLIN:

On the adoption of Senate "A", will you remark?
Representative Prelli.

REP. PRELLI: (63RD)

Mr. Speaker, through you, just one question to the proponent of the amendment.

DEPUTY SPEAKER PUDLIN:

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Proceed, sir.

REP. PRELLI: (63RD)

Representative Fontana, I understand what most of these changes are. I would ask you is "cousin" defined in our statute and are we only talking about first cousins? Are we talking about 27th cousin or what is the definition of "cousin" that is referred to here? Through you, Mr. Speaker.

DEPUTY SPEAKER PUDLIN:

Representative Fontana.

REP. FONTANA: (87TH)

Mr. Speaker, I couldn't hear his complete question. If he could just repeat it.

DEPUTY SPEAKER PUDLIN:

Representative Prelli.

REP. PRELLI: (63RD)

Yes, I will, Mr. Speaker. Thank you.

Representative Fontana, in line 23 of the amendment --

DEPUTY SPEAKER PUDLIN:

Excuse me, Representative Prelli. I think I have discovered the problem, Representative Fontana. There is a large caucus two feet away from you. If that caucus could disband, please. You are in the very middle of a debate.

I am not trying to impede your First Amendment

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rights, certainly this discussion could be held right over there just as easily.

Representative Prelli, let's give it another try, sir.

REP. PRELLI: (63RD)

Thank you, Mr. Speaker. Through you, in line 23 of the amendment, I understand what most of those other terms mean, is there some place in statute where "cousin" is defined and being of Italian heritage, that means anybody that comes within 50 miles of my hometown. So I guess I am asking what the definition of "cousin" is there. Through you, Mr. Speaker.

DEPUTY SPEAKER PUDLIN:

Representative Fontana.

REP. FONTANA: (87TH)

Through you, Mr. Speaker. Since I share your Italian heritage, at least in part, I take your point and to answer your question, I assume that "cousin" is defined in the statutes and that this would coincide and reconcile with those definitions. This bill does not specifically define "cousin" though.

DEPUTY SPEAKER PUDLIN:

Representative Prelli.

REP. PRELLI: (63RD)

Thank you, Mr. Speaker. And as I read this

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amendment, I was very concerned because we are adding a whole new section of statute here and I'm not sure "cousin" is defined. I would hope that at least for legislative intent we are only talking about first cousins or children of our -- children of our aunts and uncles, I guess would be the right question and I would hope that's the legislative intent. And that maybe that could be stated. Thank you, Mr. Speaker.

DEPUTY SPEAKER PUDLIN:

And thank you, sir. Will you remark further?

REP. FONTANA: (87TH)

Through you, Mr. Speaker. I would reiterate that I share the speaker's comments that it applies to first cousins, those children of your aunt or uncle.

DEPUTY SPEAKER PUDLIN:

Thank you, sir. Will you remark further? I will try your minds.

All those in favor, signify by saying aye.

REPRESENTATIVES:

Aye...

DEPUTY SPEAKER PUDLIN:

Opposed, nay. The ayes have it. "A" is adopted.

Will you remark further on the bill as amended?

Will you remark?

Staff and guests to the well of the House.

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Members, please be seated. The machine is opened.

CLERK:

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

DEPUTY SPEAKER PUDLIN:

If all the members have voted and if the votes are properly recorded, the machine will be locked.

Clerk, please take the tally.

Clerk, please announce the tally.

CLERK:

House Bill 6802, as amended by House "A" and "B" and Senate "A" in concurrence with the Senate

Total Number Voting	141
Necessary for Passage	71
Those voting Yea	141
Those voting Nay	0
Those absent and not Voting	10

DEPUTY SPEAKER PUDLIN:

The bill passes.

Clerk, please call Calendar 252.

CLERK:

On page 39, Calendar Number 252, Substitute for House Bill Number 6211, AN ACT CONCERNING THE CONTROLLED STORAGE OF FRUIT. The Senate adopted Senate

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I think 70 to 80 percent of all americans suffer lower back pain one time or another and as long as it is correctly done by what I would call the reform party of the chiropractors, I think that's fine.

I think though there are many factions within this industry. There are the reform ones who do things in a very scientific and a very limited sense. There are other ones though who go way beyond this and stick to the original principle of the medicine that was, you know, basically founded in 1895 by a person who believed in mysticism, and all sorts of relatively magnetic healing among other things.

So there is a role. It's very narrowly defined and when you go outside of that that's when you get in trouble.

REP. FONTANA: Okay, thank you.

SEN. BOZEK: Thank you very much.

REP. AMANN: The next speaker is Marc Aub (microphone not on.) Go ahead.

MARC AUB: Good afternoon, Senator Bozek, Representative Amann, members of the committee. My name is Marc Aub and I'm a senior finance major at Southern Connecticut State University. I'm here on behalf of HB6802, AN ACT CONCERNING VIATICAL SETTLEMENTS.

I am the originator of this proposed legislation and the reasons for this proposal stem from a research paper I completed while attending Southern. In my research I came across citations of instances where allegations were made of stalled payments by viatical companies to policy sellers. Instances of potential unethical conduct by viatical firms were also noted.

I spoke before the committee last year concerning this proposed legislation and since then I have seen the first add for a viatical settlement broker appear in the New Haven yellow pages. And I've been informed that many insurance agents and entrepreneurs are offering the service as well.

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A concern of mine in addition to the ones already mentioned is that sellers are not being given full disclosure as the ramifications of entering into a viatical contract. HB6802 will allow the state Insurance Commissioner to regulate the viatical industry. It will protect the consumers of Connecticut in their dealings with viatical settlement companies.

This morning I had the opportunity to speak with General Counsel Arsenol and with your permission Senator Bozek and Representative Amann I would like to work with the council for the committee to broaden the language of HB6802 to give the Insurance Commissioner the power Mr. Arsenol believes it needs to accomplish the task I intended.

Too many times in life we see things reacted to after someone has been hurt. I urge you to pass HB6802 now while it still can be preventative. This concludes my prepared testimony. I thank you for the opportunity to testify today and I'd be glad to answer any questions.

REP. AMANN: Thank you, Marc. Any questions? Senator Bozek. Representative Eberle.

REP. EBERLE: Thank you, Mr. Chairman. Is it your feeling that these kinds of abuses are not already covered in the various unfair trade practices and unfair trade practices acts that we already have?

MARC AUB: I have not -- forgive me for not going into -
- I was told that we didn't have any concerning this issue directly and one of the big things we have, I mean, being that this is such a new topic not many people even know what it is. I've asked and many times and everybody was, you know, what is it?

I would have to look at them to make sure that every aspect of what comes up through this new business is covered and I believe we'd probably find a bunch of holes that aren't covered.

REP. AMANN: Senator.

SEN. BOZEK: Good afternoon, Marc. Marc, what spurred you to select this viatical insurance area? You know, as a bill to put forward.

MARC AUB: I mentioned that the research I did I was asked to compose a research paper and I will defer to Dr. Robert Eldridge, a financial professor at Southern Connecticut State University. I was looking for a topic for a research paper.

This was three years ago now I believe, and I went to Dr. Eldridge and said I need a topic and it was for a non-business course, but I wanted to pursue a business topic for the paper. And he said gee, you know, I have this small article on this business that just cropped up.

At the time it was only about a year old. I mean, we'd seen almost no companies offering viatical settlements and so I chose it.

SEN. BOZEK: What information do you have or statistics or any other data that in other areas this legislation is enacted and that it's manageable in that people aren't -- it's not being abused?

MARC AUB: That there's -- what instances do I have of regulation already set up?

SEN. BOZEK: Yes.

MARC AUB: The first five states -- there are five states that presently regulate it on a broad level. And that's what I would try to see that the state of Connecticut to down the road. Right now I would certainly look at the NAIC model regulation for this. I've looked at it to a pretty good degree and I see some things that I wouldn't agree with.

But the first step is to give the state Insurance Commissioner the power to regulate it. You can't go much further if he doesn't have that power.

SEN. BOZEK: Sure. Do you know how widespread it is in the five states that it's enacted?

MARC AUB: There has been some recent --

SEN. BOZEK: Let me just go a little further. Do you have any idea as to the amounts of --

MARC AUB: How much business is going on?

SEN. BOZEK: Yes.

MARC AUB: A lot. I mean, I could provide the committee with more exact figures up to date. One company of the 50 that I know was in operation in as I said about three years ago. There were 50 that were around and one was processing upwards of 400 and 500 of these a year.

So you do the math. If we do the math, and that was three years ago. So it's a definite growth area. I'd say it deserves some sort of regulation.

SEN. BOZEK: Right now the state of Connecticut doesn't experience that because it's not allowed, right?

MARC AUB: I don't know that it's not allowed. I just know that there's nothing on the books. So if it was covered as Representative Eberle -- if it's covered under other areas, you know, if parts of it are covered under unfairness acts or whatever, then that would be. But other parts of it may not be covered and that's the reason for the proposed legislation today.

SEN. BOZEK: All right. Thank you so much. Mr. Chairman, thank you.

REP. AMANN: Are there any other questions? Marc, it's a very interesting issue and I know the Insurance Committee is going to look into it. But not a bad idea. So we'll give you an answer soon, okay?

MARC AUB: Okay. Thank you very much.

REP. AMANN: Thanks for coming up and good job. Next on the list Stan and Nancy please.

STANLEY KRUPOWIES: Thank you, Mr. Chairman, committee members for your time. I appreciate it. I'm here to express support in favor of SB1128 for the proposed infertility legislation.

REP. AMANN: Any other questions? Being none, Dr. Bigos followed by Bob Feen.

DR. JOHN BIGOS: Senator Bozek, Representative Amann, my first name is John too. My name is John Bigos and I'm President-elect of the Connecticut Division of the American Cancer Society and I'm a pulmonologist in New London, Connecticut.

Briefly I'm going to outline our SB193 and HB9653, HB5653 both concerning follow-up care for mastectomies. Proper aftercare for a mastectomy patient is vitally important for all women and the American Cancer Society fully supports both bills to help women thorough this very difficult process.

HB6804 and SB1132 concerning cancer patients' rights within the health insurance plan. The American Cancer Society fully supports a patients' right to have access to and knowledge of any and all treatment currently available through proper health care providers, and endorses the concept of an external appeals process for aggrieved patients of health plans.

HB6802 concerning an issue that has been steadily increasing in importance to many terminal cancer patients. The American Cancer Society supports the Insurance Commissioner as the one to monitor and regulate all viatical settlements in our state.

And I'd like to spend the remaining couple of minutes surrounding SB6838 requiring third-party reimbursement for the cost of prostate cancer screening. We support his bill, but advise that the the words, physician recommended, be inserted into line 21 before the word laboratory.

Over 330,000 men will be diagnosed with prostate cancer in the United States in 1997. Over 4,100 right here in Connecticut. Sadly 520 state residents and 41,800 men nationwide will lose their life to this disease in 1997.

The American Cancer Society fully supports any and all efforts to increase awareness and save lives from this disease and supports the use and



March 4, 1997

American Cancer Society Statement of Support for Health Related Insurance
Committee Bills
John Bigos, MD, MPH, Connecticut President-Elect

HB 5653

S.B. 193 and H.B. 9653 both concern follow-up care for mastectomies. Proper aftercare for a mastectomy patient is vitally important for all women and the American Cancer Society fully supports both bills to help women through this very difficult process.

H.B. 6804 and S.B. 1132 both concern a cancer patients rights within a health insurance plan. The American Cancer Society fully supports a patient's right to have access to and knowledge of any and all treatment currently available through proper health care providers and endorses the concept of an external appeals process for aggrieved patients of health plans.

House Bill 6802 concern an issue that has been steadily increasing in importance to many terminal cancer patients. The American Cancer Society supports the Insurance Commissioner as the one to monitor and regulate all viatical settlements in our state.

S.B. 6838 requires third party reimbursement for the costs of prostate cancer screening. We support this bill but advise the words "physician-recommended" be inserted into line 21 before the word "laboratory". Over 330,000 men will be diagnosed with prostate cancer in the United States in 1997, over 4,100 right here in Connecticut. Sadly, 520 state residents and 41,800 men nationwide will lose their life to this disease in 1997. The American Cancer Society fully supports any and all efforts to increase awareness and save lives from this disease and supports the use and reimbursement of screening tests available following ACS guidelines or as directed by a physician.

LEAVE YOUR MARK ON LIFE

PLEASE REMEMBER THE AMERICAN CANCER SOCIETY IN YOUR WILL, TRUST OR INSURANCE POLICY

Point Paper**For: Members of Insurance and Real Estate Committee****Subject: Viatical Insurance regulation****Bill number: 6802****Issue:**

To provide the State insurance Commissioner with the statutory authority to regulate the viatical insurance settlements industry.

Background:

The viatical insurance industry is currently a growth area that affects a specific segment of the population: those suffering a terminal illness who wish to sell the beneficiary rights to their life insurance policies. A significant number of these policy-holders suffer from either HIV or AIDs. There have been alleged instances of companies buying policies and then not paying the sellers. In an unregulated market there is also the probability of buyers not making full disclosure to the sellers. Attached is an extract from a 1994 report in the Dallas Morning News, discussing this issue.

Proposed Solution:

Favorably recommend to the General Assembly the passage of bill 6802 to vest the State Insurance Commissioner with the authority to regulate viatical settlement companies.

From: CSU student Mark Alb

But critics - including some insurance regulators and medical personnel - raise ethical and practical questions. Are investors speculating in death? Isn't it in investors' interest for the ill person to die quickly so they can collect on the policy? Are people with AIDS so desperate for cash that they could sell their policy for less than it's worth? Will the original beneficiaries suffer?

The National Association of Insurance Commissioners, an organization of state insurance officials, worries about such questions. A month ago the group approved model legislation for states to regulate so-called viatical companies.

The industry, which gets its name from a Latin word meaning to prepare for a journey, has grown from one company in 1989 to about 50. These include a new company in Dallas, Southwestern Viatical, which opened in November near Oak Lawn Avenue and Cedar Springs Road.

Viatical companies now buy about \$200 million a year in insurance policies, said Mr. Fardo, who is head of the National Viatical Association, formed last year.

Without regulation, the insurance commissioners say, the industry is ripe for abuse. In Florida, officials are investigating a company that acquired life insurance policies but allegedly didn't pay patients in full or on time.

State regulations

Four states - California, New Mexico, Kansas and New York - now regulate the viatical industry. Texas legislators last year passed a bill that gives the insurance department the authority to do so, but it has not begun.

One state, Utah, prohibits the sale of policies.

"I believe regulation is absolutely necessary," said David Lyons, vice president of the insurance commissioners' association. "We believe that there is much more damage occurring through viatical settlements than anyone understands.

"You have people purchasing these products . . . when they are the most vulnerable and most subject to being abused. Desperation makes desperate acts."