

Legislative History for Connecticut Act

SB402	(PA64)	1998
House	2146-2148	(3)
Senate	772-773, 790-792	(5)
Insurance	391	(1)
		(9)

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

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JOINT
STANDING
COMMITTEE
HEARINGS

INSURANCE
AND
REAL ESTATE
PART 2
166-451

1998

**TESTIMONY OF THE AMERICAN INSURANCE ASSOCIATION
IN SUPPORT OF SENATE BILL 402
AAC NOTICE OF TRANSFER OF INSURANCE POLICIES
Insurance and Real Estate Committee
March 3, 1998**

The American Insurance Association (AIA) urges your favorable action on Senate Bill 402. Current law requires that an insureds' policy be "non-renewed" when transferring the policy among affiliated insurers. Typically, a "non-renewal" is effected for the purpose of terminating or reducing coverage, so it is appropriate that "non-renewal" notice be provided in the manner prescribed by Connecticut law. However, in the event of a merger or acquisition, the transfer of policies among affiliated insurers is effected with the intent of continuing to provide comparable coverage without disruption to the policyholder. Indeed, the success of the merger is measured by the ability to retain the acquired business.

Senate Bill 402 eliminates the requirement to "non-renew" policies being transferred among affiliates as a result of a merger or acquisition, in order to avoid disruption to policyholders. Instead, Senate Bill 402 requires companies to notify policyholders of the transfer. This change will eliminate the consumer confusion and anxiety which a "non-renewal" notice typically engenders. At the same time it ensures that policyholders receive appropriate information relative to their policies of insurance.

Thank you for the opportunity to comment.

S-420

CONNECTICUT

ASSEMBLY

SENATE

PROCEEDINGS

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purchase alcoholic beverages is not asking too much for a highly regulated item.

I strongly support this legislation and if there is no opposition or objection, I would ask that it be placed on the Consent Calendar with permission of the Chair.

THE CHAIR:

Senator Colapietro.

SEN. COLAPIETRO:

I have no objection. Thank you, Madam President.

THE CHAIR:

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

THE CLERK:

Calendar Page 13, Calendar 162, File 184, SB402 An Act Concerning Notice of Transfer of Insurance Policies. Favorable Report of the Committee on Insurance.

THE CHAIR:

Senator Bozek.

SEN. BOZEK:

Thank you, Madam President. I move to adopt the Joint Committee's Report and passage of the bill.

THE CHAIR:

The question is on passage. Will you remark?

SEN. BOZEK:

Madam President, this bill is an insurance product and the purpose of the bill is to require property and casualty insurers to notify a policyholder at least 60 days in advance of a transfer of his policy when there has been a merger or acquisition of that insurance company.

The current insurance law requires that a notice of nonrenewal, or nonrenewal notice would be mailed to the policyholder when a company merges or is acquired. And in between for the consumer, it's been some conflicts and misunderstanding that sometimes they think their insurance is cancelled or that they would not be carried on in a successive renewal period. So this will just clarify that area by having a 60 day notice not having a nonrenewal notice. Thank you.

THE CHAIR:

Will you remark further on the bill? Will you remark further? Senator Bozek.

SEN. BOZEK:

Yes, Madam President. I move that without objection, this be placed on the Consent Calendar.

THE CHAIR:

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

that we vote the Consent Calendar.

THE CHAIR:

Mr. Clerk, would you announce a roll call vote and then we will read the Consent Calendar before the machine is opened.

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.

Madam President, the first Consent Calendar begins with Senate Agenda No. 1 Page 3, Substitute for HB5051.

Substitute for HB5715.

And to today's Calendar, Calendar Page 3, Calendar 99, Substitute for SB376.

Calendar Page 5, Calendar 113, Substitute for SB346.

Calendar Page 7, Calendar 122, Substitute for SB229.

Calendar 124, Substitute for SB299.

Calendar 125, Substitute for SB236.

Calendar 126, SB195.

Calendar Page 8, Calendar 128, SB390.

Calendar Page 12, Calendar 154, Substitute for
HB5036. HB5306

Calendar 155, HB5322.

Calendar Page 13, Calendar 159, Substitute for
HB5376.

Calendar 162, SB402.

Calendar Page 14, Calendar 167, Substitute for
SB266.

Calendar Page 16, Calendar 176, SB516.

Calendar Page 17, Calendar 183, SB458.

Calendar Page 20, Calendar 72, SB267.

Calendar Page 21, Calendar 96, SR12.

Calendar Page 22, Calendar 97, SR13.

Calendar 104, SR14.

Calendar 184, SR16.

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

THE CHAIR:

Will the Clerk please once again announce a roll
call vote on the Consent Calendar. The machine will be
opened.

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:

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

THE CLERK:

Motion is on the adoption of Consent Calendar.

Total number voting, 35; necessary for adoption, 18; those voting "yea", 35; those voting nay, 0. Those absent and not voting, 1.

THE CHAIR:

The Consent Calendar is adopted. Senator Jepsen.

SEN. JEPSEN:

Thank you, Madam President. That concludes today's business. I would like to inform the Chamber before we do points of privilege and adjourn for the day that we expect to be in session next Wednesday. That would include, we will get the information but I would think at 1:00 o'clock or 2:00 o'clock for a session.

I would hold Thursday open. I don't expect to be in Thursday, but you never can tell.

THE CHAIR:

H-187

CONNECTICUT

GENERAL ASSEMBLY

HOUSE

PROCEEDINGS

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PART 7

211-244

kmr

House of Representatives

Monday, April 27, 1998

REP. EBERLE: (15th)

Thank you Mr. Speaker.

SPEAKER RITTER:

Wait, wait, one second, apparently the amendment is not distributed. Why don't we once again stand at ease and wait to make sure that it's distributed.

Representative Lyons.

REP. LYONS: (146th)

Thank you Mr. Speaker, at this time I would like to pass this bill temporarily.

SPEAKER RITTER:

Seeing no objections so ordered. Okay, we'll come back to order. Clerk please call Calendar 276.

CLERK:

On page four, Calendar 276, Senate Bill No. 402,
AN ACT CONCERNING NOTICE OF TRANSFER OF INSURANCE
POLICIES. Favorable report of the Committee on
Insurance.

SPEAKER RITTER:

The Honorable Representative from the 82nd,
Representative Altobello, you have the floor sir.

REP. ALTOBELLO: (82nd)

Thank you Mr. Speaker. Mr. Speaker I move for acceptance of the Joint Committee's favorable report and passage of the bill.

kmr

8

House of Representatives

Monday, April 27, 1998

SPEAKER RITTER:

Motion is on acceptance and passage, please proceed.

REP. ALTOBELLO: (82nd)

Thank you Mr. Speaker. This bill requires property and casualty insurers to give policy holders at least 50 days advance notice when they transfer policies at the time of a renewal to an affiliate because of a merger or acquisition of control.

Further Mr. Speaker, the current insurance law requires the notice of non-renewal to a policy holder when a company merges or is acquired by another firm. The notice actually is a non-renewal notice which we all know is a cancellation notice. Which confuses the consumer by appearing to cancel their insurance.

Actually the new firm, which wishes to retain the policy holder is concerned that the current notice regulations send the wrong message. The bill would correct this confusion by eliminating the non-renewal notice and requiring only general notice of at least 60 days. I move it's adoption.

SPEAKER RITTER:

Will you remark further? If not, staff and guests come to the well of the House, the machine will be open.

kmr

House of Representatives

Monday, April 27, 1998

CLERK:

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

SPEAKER RITTER:

Have all members voted? If all members have voted please check the roll call machine to make sure your vote is properly cast. If it has the machine will be locked. The Clerk please take a tally. And the Clerk will please announce the tally.

CLERK:

Senate Bill No. 402 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

SPEAKER RITTER:

Bill passes. Clerk please call Calendar 294.

CLERK:

Page five, Calendar 294, House Bill No. 5658, AN ACT CONCERNING INTEREST RATE RISK MANAGEMENT AGREEMENTS IN CONNECTION WITH STATE BONDS AND EXPANDING CERTAIN INVESTMENT OPTIONS FOR STATE BOND PROCEEDS. Favorable