

**PA13-171**

HB6379

House	5316-5327	12
Insurance	1086, 1092-1093, 1135-1138, 1152-1154	10
Senate	4314-4321	8
		<b>30</b>

**H – 1165**

**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
2013**

**VOL.56  
PART 16  
5210 – 5544**

cah/cjd/lgg/cd/gbr  
HOUSE OF REPRESENTATIVES

358  
May 21, 2013

Those voting Yea	135
Those voting Nay	0
Those absent and not voting	15

SPEAKER SHARKEY:

The bill passes.

Will the Clerk please call Calendar Number 199.

THE CLERK:

On page 7, House Calendar 199, favorable report of the joint standing committee on Insurance and Real Estate, Substitute for House Bill 6379, AN ACT CONCERNING SURPLUS LINES INSURANCE BROKERS.

SPEAKER SHARKEY:

Representative Megna, you have the floor, sir.

REP. MEGNA (97th):

Thank you, Mr. Speaker.

Mr. Speaker, I move acceptance of the joint committee's favorable report and passage of the bill.

SPEAKER SHARKEY:

The question is on acceptance of the joint committee's favorable report and passage of the bill.

Will you remark, sir?

REP. MEGNA (97th):

Thank you, Mr. Speaker.

Mr. Speaker, this is a bill that has been around the committee the last few years, has to deal with surplus lines insurance. To the members of the chamber, surplus lines is it really a -- for all intents and purposes, a -- the unregulated marketplace, so to speak. In terms of policies, the rates are not approved, so agents and brokers are required to fill out an affidavit when they place certain lines of business into surplus lines. So what this bill does it eliminates the affidavit and makes it a -- a signed statement. And we've done that at the wishes of the brokers and agents, and we felt that there's -- the consumer isn't compromised by going from affidavit to signed statement.

And it also sets forth that the type of policy, as well as the location of the real property, if it involves real property, the policy, should be indicated on the affidavit -- on the signed statement if this becomes law.

And it's important to have that information, Mr. Speaker, because the unregulated market, the consumers lose a tremendous amount of protections when they -- when they go into that, and they pay high premiums and a lot less coverage. So it's important that we -- or

the Department of Insurance and we, as a legislature, realize that -- see this, and see possibly defects or areas where -- where normally lines of business that are in the regulated market are being forced to go into the unregulated market due to access for some reason or another.

The bill, also, allows that these signed statements be transmitted electronically to the Department of Insurance on particular dates, and those dates were chosen so that they're in synch with surplus lines brokers, other documentation that needs to be submitted to the Department of Insurance so it really makes business easier for both the broker and the agent, while ensuring that the consumer is aware of -- or that the agent and the broker especially consider whether or not that piece of business goes into the surplus lines market.

Mr. Speaker, the Clerk is in possession of LCO 6806. I'd ask that it be called, and I be permitted to summarize.

SPEAKER SHARKEY:

Will the Clerk please call LCO 6806, which will be designated House Amendment "A."

THE CLERK:

House Amendment "A," LCO 6806, as introduced by  
Representative Megna and Senator Crisco.

SPEAKER SHARKEY:

The gentleman seeks leave of the chamber to summarize.

Is there objection? Is there objection?

Seeing none, you may proceed with summarization, sir.

REP. MEGNA (97th):

Thank you, Mr. Speaker.

Mr. Speaker, when the bill came out of the committee, there was a section of it that would have required several more declinations before something could be put into the surplus lines market. I know my ranking member and other members had issues with that.

Currently, I think it's three declinations, it's by bulletin or regulation by the Department of Insurance, so we removed -- this amendment removes that language and corrects the dates that I mentioned earlier to put them in synch with other filings from those surplus lines brokers.

With that, I'd move adoption of the amendment.

SPEAKER SHARKEY:

Thank you, sir.

The question before the Chamber is adoption of House Amendment "A."

Will you remark? Will you remark?

Representative Sampson of the 80th District.

REP. SAMPSON (80th):

Thank you, Mr. Speaker.

I rise in strong support of this amendment. This particular bill, there was considerable concern on my own behalf and several other members of the committee regarding the underlying bill and the requirement for six declinations of coverage before an independent insurance agent would be able to place a risk in what's referred to as a surplus lines company.

The good Chairman referred to an unregulated marketplace, I don't know if that's a real accurate way to put it, but those are in non-admitted carriers that have less regulation by the Connecticut Insurance Department than an admitted carrier would have.

Rather than speak multiple times, I will just say that this amendment takes that owner's provision out of the bill and leaves a fairly simple remain, which is that it's just going to simplify the lives of independent insurance agents that write surplus lines business. There's no fiscal impact, and I think it's

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a good bill and ought to pass so I would urge my colleagues to vote for the amendment. And should it pass, support the bill as well.

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Do you care to remark? Do you care to remark further on the House Amendment "A"?

If not, let me try your minds, all those in favor of House Amendment "A," please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Those opposed, nay.

Ayes have it.

The amendment is adopted.

Do you care to remark further on the bill as amended?

Representative Shaban of the 135th.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

A question, through you, if I may, to the proponent.

SEPUTY SPEAKER RYAN:

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Please proceed, sir.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

I'm trying to connect the dots here on the bill -  
- the OLR, what the proponent just said. Is there a  
list at the Department of Insurance of surplus line  
insurance carriers that said approved -- approved  
surplus lines carriers?

Through you.

SPEAKER SHARKEY:

Representative Megna.

REP. MEGNA (97th):

Through you, Mr. Speaker.

Yes. There are -- to tell you the truth off the  
top of my head, I think I know that. I think there's  
like 174 of them that are -- that are non-admitted but  
approved, is how we would refer to those carriers.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

So -- if I think -- I think I heard the gentleman  
say there's 170-some-odd approved surplus lines

carriers.

What -- this maybe more intellectual curiosity that you try to understand this, does this deal with all kinds of insurance or is it particular to like home, casualty, that kind of thing?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Megna.

REP. MEGNA (97th):

Generally speaking and a -- the quintessential surplus lines company would be Lloyds of London. I think that comes out to us as an odd insurance company.

Lots of times, there's risks, primarily commercial risks, that the regulated companies don't want, they don't want to touch them, maybe general liability for a demolition company that implodes buildings or something like that, so they're -- they're forced to go outside the regulated market to find -- find insurance.

So, I think, currently, the department has a -- I think they call it a white sheet of all different types of risks that can automatically go right into surplus lines. But anything other than what's

designated there would have to be -- generally speaking, there'd have to be three declinations from the regulated marketplace and then at that point, the -- the agent and -- can go through a surplus lines broker and place that risk into it.

Homeowners can wind up in there, which is one of the reasons why we want to designate on these signed statements if this becomes law; the type of risk and the location of risk so we can track that because once they go into that marketplace, they lose all the -- essentially many, many protections that they are given in a regulated marketplace.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

And you know, I think that's starting to flush out the picture for me.

Last question if I may, if an unregulated surplus lines insurer violates some provision of Connecticut law, whether it be CUIPA or something else like that, despite the fact that they're not regulated -- and I suspect that means not approved by the commissioner --

does the policyholder still have a cause of action or recourse against the unregulated surplus lines carrier?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Megna.

REP. MEGNA (97th):

Thank you, Mr. Speaker.

And through you, I'm not sure. I think -- when I -- when I say "unregulated," really, essentially, the policy itself is not approved by the department, the rates that they charge are not approved by the department so they -- they lose all those consumer protections that we have in statute in terms of the standard fire policy and all the other things that we do through the chamber here. I mean, of course, the surplus lines carrier can include that in a policy when they -- they sell it, but quite often they're written in their -- in their interests. So, in terms of when we say "unregulated," essentially, the policies are not approved -- pre-approved, and the rates are not approved by the department as well as any of -- in the event that the company goes bankrupt, there would be no guarantee fund available for those

policyholders.

So, it is kind of a marketplace that if a homeowner or on certain types of risks we want to be aware if they're moving into that marketplace because it may tell us something about the regulated marketplace.

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Shaban.

REP. SHABAN (135th):

Thank you, Mr. Speaker.

I thank the gentleman for his responses. It answered my questions, and I intend to support the bill.

Thank you, sir.

SPEAKER SHARKEY:

Thank you, sir.

Do you care to remark further? Do you care to remark further on the bill as amended?

If not, staff and guests to the well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll. Will members please return to the chamber immediately.

SPEAKER SHARKEY:

Have all the members voted? Have all the members voted? Members please check the board to make sure your vote is properly cast.

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

Will the Clerk please announce the tally.

THE CLERK:

Substitute House Bill 6379, as amended by House "A"

Total Number Voting	135
Necessary for Passage	68
Those voting Yea	135
Those voting Nay	0
Those absent and not voting	15

SPEAKER SHARKEY:

The bill, as amended, passes.

Will the Clerk please call Calendar Number 600.

THE CLERK:

On page 35, Calendar Number -- House Calendar Number 600, favorable report of the joint standing committee on Finance, Revenue and Bonding, Senate Bill

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If not, Senator Crisco.

SENATOR CRISCO:

No objection, Madam President, I ask that it be placed on Consent.

THE CHAIR:

Seeing no objection, so ordered, sir.

Mr. Clerk.

THE CLERK:

On page 20, Calendar 639, Substitute for House Bill Number 6379, AN ACT CONCERNING SURPLUS LINES INSURANCE BROKERS, Favorable Report of the Committee on Insurance and Real Estate.

THE CHAIR:

Senator Crisco.

SENATOR CRISCO:

Madam President, I move for acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with House Amendment "A."

THE CHAIR:

Motion is on acceptance and passage in concurrence with the House.

Will you remark, sir?

SENATOR CRISCO:

Yes, Madam President.

Madam President, this is legislation dealing with efficiency and awareness. Presently, when they're -- the surplus line brokers and insurers want to question a particular issue or a policy decision, they have to execute affidavits which really impose costs and created, you

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know, considerable problems for those who are interested in this.

This substitute language adds respect to homeowners' insurance policy, the words "diligent effort," and the licensee receive at least -- must receive at least six declinations and changes to signed statements to be also in electronic format quality.

So the bottom line, this is extremely a more efficient and a greater awareness process for surplus line brokers.

THE CHAIR:

Will you remark? Will you remark?

Senator Kelly.

SENATOR KELLY:

Thank you, Madam President.

Through you, I have a couple of questions for the proponent of the bill.

THE CHAIR:

Please proceed, sir.

SENATOR KELLY:

Thank you very much.

As I understand it, the House Amendment "A" will delete the requirement to get six declinations before moving to the surplus line market, and that this will only require the insured to obtain a written signed statement in order to get into the surplus market. Is that correct?

Through you, Madam President.

SENATOR CRISCO:

Madam President, through you, to the Senator, yes.

SENATOR KELLY:

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Thank you, Senator Crisco.

One of my major, if not the major reservation with this bill at committee was the six declinations. First of all, it's -- it's probably hard to -- to find that many lines that will be able to offer the declination. But this bill now, as amended, is a much more streamlined process to help those individuals that need to go into the surplus line market. And I think that that's -- that's better for the consumer. And for that reason, I stand in support of the bill as amended.

Thank you, Madam President.

THE CHAIR:

Thank you very much.

Will you remark?

Senator Welch.

SENATOR WELCH:

Thank you, Madam President.

I -- I do appreciate Senator Kelly's comments. I still have one concern with respect to the language that is before us, and I just want to make sure that it truly is a concern.

So if I may, through you, Madam President, a question to the proponent.

THE CHAIR:

Please proceed, sir.

SENATOR WELCH:

Thank you, Madam President.

As I read -- as I read this bill, on line 4 of the amended version, we're placing this requirement not just on -- when a policy is procured but also when a policy is renewed. Is that correct?

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Through you, Madam President.

THE CHAIR:

Senator Crisco.

SENATOR CRISCO:

Madam President, through you to the good Senator.

The answer is yes.

SENATOR WELCH:

Thank --

THE CHAIR:

Senator Welch.

SENATOR WELCH:

-- thank you, Madam President. Thank you, Senator Crisco.

I -- as I understand the procurement and renewal of insurance, oftentimes through a renewal process, indeed, policies don't even go out to bid. It's a determination made by the policyholder. It's a determination made with the consultation of their broker. And it -- it -- it's done that way, I think, primarily because sometimes going out to bid can be time consuming. It requires a lot of resources and financial disclosures.

And so, I think, to place a new requirement, as I would understand this to be a new requirement, that every time a policyholder goes out for a renewal, if they've already got a surplus lines policy and they're happy with it, I think this bill still makes them -- goes out and gets the -- the multiple -- or at least the statement that they can't get multiple quotes.

And if I'm wrong, hopefully Senator Crisco could tell me that now. If -- if I'm correct, I think I probably will be voting, though, for the bill.

Through you, Madam President.

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THE CHAIR:

Senator Crisco.

SENATOR CRISCO:

Yeah. I believe the Senator is correct.

If you could repeat the question.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Sure. Does this bill -- now -- well, let me -- let me break it down in -- into two questions.

Under current law, before this bill becomes law, if you have a surplus lines policy and you seek to renew it, do you have to go out and get multiple -- multiple quotes or obtain an affidavit saying that you can't?

Through you, Madam President.

SENATOR CRISCO:

The answer (inaudible) to the good Senator, no.

THE CHAIR:

Senator -- Senator Welch.

SENATOR WELCH:

Thank you, Madam President.

And then, with respect to -- if this bill were to become law, and you have a surplus lines policy and now you're going to -- now you want to renew that surplus lines policy -- and again, most of these policies are a year long -- would you have to get a written signed statement saying that you've gone out and you've -- you've obtained the additional quotes or you can't obtain the additional quotes?

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Through you, Madam President.

SENATOR CRISCO:

Senator -- Madam --

THE CHAIR:

Senator Crisco.

SENATOR CRISCO:

-- President, through you.

Based on the renewal, I would say no.

THE CHAIR:

Senator Welch.

SENATOR WELCH:

Thank you, Madam President.

I appreciate Senator Crisco's answers to those questions.

THE CHAIR:

Thank you.

Will you remark further? Will you remark further?

If not, we'll call for a roll call vote.

SENATOR CRISCO:

No.

THE CHAIR:

It's on the amendment. Correct?

SENATOR CRISCO:

No.

THE CHAIR:

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On the bill. Right? So --

SENATOR CRISCO:

Right. Since there's no objection, it has to be placed on the Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered.

Oops, there is an objection.

SENATOR CRISCO:

Okay.

THE CHAIR:

That's what I thought.

Mr. Clerk, will you call for a roll call vote on the bill please. Thank you. The machine will be open.

THE CLERK:

Immediate roll call has been ordered in the Senate.  
Senators please return to the Chamber. Immediate roll call has been ordered in the Senate.

THE CHAIR:

If all members have voted, all members have voted, the machine will be closed.

Mr. Clerk, will you please call the tally.

THE CLERK:

House Bill 6379,

Total Number Voting	35	
Necessary for Adoption	18	
Those Voting Yea	24	
Those Voting Nay	11	
Those Absent and Not Voting		1

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THE CHAIR:

The bill has passed.

Mr. Clerk. Oh, sorry.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, if the -- the next item might be passed temporarily. That is Calendar page 21, Calendar 642, House Bill 6478. We expect to be able to return to that later today.

And Mr. President, if the Clerk would call as the -- Madam President, if the Clerk would call as the next item Calendar page 23, Madam President, Calendar 659, House Bill 5358 from the Committee on Government Administration and Elections.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On page 23, Calendar 659, House Bill Number 5358, AN ACT PROHIBITING STATE CONTRACTS WITH ENTITIES MAKING CERTAIN INVESTMENTS IN IRAN, Favorable Report of the Committee on Government Administration and Elections.

THE CHAIR:

Senator Musto.

SENATOR MUSTO:

Thank --

THE CHAIR:

Good afternoon.

**STANDING  
COMMITTEE  
HEARINGS**

**INSURANCE AND  
REAL ESTATE  
PART 4  
925 - 1225**

**2013**

13  
aac/gbr INSURANCE AND REAL ESTATE COMMITTEE  
March 5, 2013  
6:00 P.M.

NATHAN HALE SCHOOL, NEW HAVEN, CONNECTICUT

REP. MEGNA: Thank you very much. Actually, you had a petition that you had sent to the Department of Insurance with how many signatures were on that?

ALDERMAN SAL DACOLA: Way over 200 signatures.

REP. MEGNA: Yeah, thank you for that. Are there any questions of the Alderman?

Thank you very much, Sal.

George Bradner from the Department of Insurance.

You're going to be testifying on three different bills, I think, George.

GEORGE BRADNER: Yes.

Senator Crisco, Representative Megna and Members of the Insurance and Real Estate Committee, the Insurance Department appreciates the opportunity to provide testimony on H.B. 6549 AN ACT ESTABLISHING MEDIATION PROGRAM FOR CERTAIN INSURANCE POLICY CLAIMS ARISING FROM A CATASTROPHE EVENT, H.B. 6378, AN ACT CONCERNING CHANGES TO PROPERTY AND CASUALTY INSURANCE AND RELATED STATUTES, and H.B. 6380, AN ACT CONCERNING CHANGES TO THE PROPERTY AND CASUALTY INSURANCE POLICIES AND HOME IMPROVEMENT CONTRACTORS.

My name is George Bradner, I'm the Property Casualty director for the State of Connecticut Insurance Department.

House Bill 6549 issues a formal mechanism for non-adversarial mediation of disputes between the insured homeowner and an insurer following a major catastrophe. The intent of this legislation is for it to apply to the loss or damage to real or personal property, other than damage to motor vehicle. This is the approach

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provide the services, and they work with those organizations to set what the fees will be that they can provide. Keep in mind it's for real catastrophic losses. Like, for example, in New York, they're estimating about 20,000 claims will probably be subject to their mediation processes, and it's only about one or two percent of the total claims that are experienced. So, New York - - between New York and New Jersey they have well over 200,000 claims, so they are anticipating about 15,000 maybe 20,000 people may need to avail themselves of the mediation process. It keeps these situations from clogging up the courts and it really sort of gets the parties together, have a mediator there, bringing them together, talking about what -- you say this, you say that -- and try to get them to come to a successful conclusion. The numbers I've seen for Florida and for Louisiana showed that 85 to 90 percent of the mediation was successful.

REP. MEGNA: On 6380, Section One, should we limit that just to homeowners real property maybe?

GEORGE BRADNER: Yeah. My recommendation, if you did it, you would limit it to that only.

REP. MEGNA: You didn't give us testimony on another bill in front of us, 6379, but I just wanted to pick your brain for one minute --

GEORGE BRADNER: Is that the surplus lines bill?

REP. MEGNA: Yes. One of the Committee -- the Committee wanted to try to track homes, primarily homes that are going into the surplus lines market and which is a reason for some of the language in the bill. But you had mentioned to me earlier that you already provided that information of the affidavits?





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signed statement only be required for commercial policies on the anniversary of the fourth year renewal. This provision has been discussed with the insurance department and there is agreement with the department for this change.

We also agree with the department that for non-commercial policies an annual statement would be the rule. Therefore, I'm going to suggest the following changes.

The surplus lines licensee shall require a signed statement from the insured and the insured's authorized producer, setting forth the fact showing that such authorized producer and insured were unable after diligent effort, to procure from any authorized insurer, the full amount of insurance required to protect the interest of the insured.

For any policy written on a commercial form, including professional liability D and O and E and O, renewed, continued or extended by the same insurer for a period of three years, no signed statement shall be required to be completed by the insured and the insured's authorized producer, from which the surplus lines licensee had previously retained.

Thank you for the opportunity and I welcome any questions.

REP. MEGNA: Mr. Kiley, there's no form her prescribed by the Department of Insurance, correct? Actually, you don't even see these affidavits. Does the broker see these affidavits?

WILLIAM KILEY: We're required to submit the affidavits to the state within forty-five days.



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NATHAN HALE SCHOOL, NEW HAVEN, CONNECTICUT

lines carrier offers a product at a lower price, they can't move into that market, correct?

WILLIAM KILEY: When it comes to us, it's been declined by three carriers. So, the retail agent would go to his markets and if it's been declined by them then he would come to us.

REP. MEGNA: So, three carriers is due diligence? Why do you say three carriers?

WILLIAM KILEY: That's what the law is.

REP. MEGNA: The law says due diligence.

WILLIAM KILEY: It has to be declined by three carriers.

REP. MEGNA: Where-- does it say that in here? In the statute?

A VOICE: In the regulations.

WILLIAM KILEY: I think it's -- yes. But a retail -- that retail agent -- there might only -- he may only have two carriers.

REP. MEGNA: Yes, I understand that. I see that all the time.

WILLIAM KILEY: Right.

REP MEGNA: Price -- so it's got to be three carriers.

WILLIAM KILEY: Licensed carriers.

REP. MEGNA: Thank you very much. Are there any questions? No. Thank you very much.

WILLIAM KILEY: Thank you.

REP. MEGNA. We don't have anybody else signed up and we went through all the bills, but if there's

Good evening Chairman Crisco, Chairman Megna and distinguished members of the Insurance and Real Estate Committee.

My name is William Kiley and I serve as the President of the New England Surplus Lines Association and also the President of Connecticut Underwriters. I am here to testify on House Bill 6379 and suggest a few additions to the proposal before you.

The members of my regional association as well as myself as their spokes-man, are in agreement with the signed statement aspect of the bill and applaud the committee for recognizing the necessity for this change. The statute is antiquated and the removal of the affidavit aspect will bring long awaited changes to the current law and eliminate costly, unnecessary language.

The law should be very clear that the insured's authorized producer is and should be responsible for providing the diligent effort to procure coverage from any authorized insurer. The law, as it stands today, is very unclear as to who is responsible. The surplus lines licensee has no contact with the insured and in most if not all instances has no licensed carriers to place the business. It's the insured's authorized producer who must receive the declinations from the licensed carriers. I would suggest wording to this effect.

We met with the Insurance Department over the fall months and following this meeting we would also suggest that language be added to this proposal to provide a 3 year grace period for signed statements on commercial policies, meaning a signed statement is sufficient for a 3 year period and a new signed statement only be required for commercial policies on the anniversary of the fourth year renewal. This provision has been discussed with the insurance department and there is agreement with the Department for this change. We also agree with the Department that for non-commercial policies an annual statement should be the rule of the day.

We would suggest the committee look at the language below and consider adding these provisions to the bill before you to accomplish these two goals.

**The Surplus Lines Licensee shall require as signed statement from the insured and the insured's authorized producer setting forth facts showing that such authorized producer and insured were unable, after diligent effort, to procure from any authorized insurer, the full amount of insurance required to protect the interest of such insured.**

**For any policy written on a commercial form, including Professional Liability, D&O and E&O, renewed, continued or extended by the same insurer, for a period of 3 years, no signed statement shall be required to be completed by the insured and the insured's authorized producer from which the surplus lines licensee had previously retained.**

We thank you for the opportunity to testify in support of the underlying bill and the changes requested above and I am prepared to answer any questions you may have.

**INDEPENDENT  
INSURANCE AGENTS OF  
CONNECTICUT, INC.**

30 Jordan Lane, Wethersfield, CT 06109  
(860) 563-1950 (800) 842-2208  
FAX (860) 257-9981



Warren C. Ruppard  
President

March 5, 2013

**Testimony of the Independent Insurance Agents of Connecticut  
to the Insurance And Real Estate Committee on Raised House Bill 6379,  
An Act Concerning Surplus Lines Insurance Brokers**

Senator Crisco, Representative Megna and members of the Insurance and Real Estate committee, my name is Warren Ruppard and I am President of the Independent Insurance Agents of Connecticut. The Independent Insurance Agents of Connecticut is a trade association which has been located in Connecticut and has represented independent agents for 114 years. IIAC currently represents more than 400 member agencies and their associates as well as their 3500-plus employees. I am submitting this testimony today for your consideration.

The Independent Insurance Agents of Connecticut supports Raised House Bill 6379. This proposal will bring efficiency in the processing of a surplus lines policy and will bring better consumer awareness to the purchaser of such policy. We urge the committee to support Raised House Bill 6379.

FTR



**PROFESSIONAL  
INSURANCE  
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DATE: March 4, 2013  
TO: Connecticut Joint Insurance Committee  
FROM: Timothy G. Russell, CPCU  
President, Professional Insurance Agents of Connecticut Inc.  
RE: **SUPPORTING RAISED H.B. 6379**

I am writing on behalf of the Professional Insurance Agents of Connecticut Inc., an association representing more than 400-member professional, independent insurance agents who employ thousands of people throughout the state.

We write to **urge the passage** of raised House Bill 6379, a bill strongly supported by the Connecticut professional insurance agent community. This bill seeks to make a common-sense change to the surplus lines submission process by removing the requirement that the surplus lines affidavit be notarized. This bill does not make any substantive changes to the consumer and market protections inherent to the form, but would amend the procedural requirement that it be notarized before submission.

Requiring form SL-8 to be notarized neither generates any additional consumer protection nor enhances or verifies the accuracy of the form or the adequacy of the coverage requested. The surplus lines affidavit is typically the only form required to be notarized in an insurance producer's office. This requirement slows down producers' efforts to responsibly place coverage and wastes small business' resources.

We respectfully urge the passage of this bill.