

PA13-280

SB1027

House	10687-10691	5
Insurance	1177-1178, 1211-1212	4
Senate	2403-2406, 2495-2496	6
		15

H - 1180

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2013**

**VETO
SESSION**

**VOL.56
PART 31
10451 - 10795**

Total Number Voting	145
Necessary for Adoption	73
Those voting aye	145
Those voting nay	0
Absent and not voting	5

SPEAKER SHARKEY:

The bill as amended passes in concurrence with the Senate. Just as a quick reminder before we call the next bill we have one hour left before CNADA. I would advise all members to stay in or near the Chamber. We will be closing the machine quickly on every vote. Please do not wander far from the Chamber. With that will the Clerk please call Calendar 621.

THE CLERK:

On page 25, Calendar 621 favorable report of the joint standing Committee on Insurance and Real Estate, Senate Bill 1027, AN ACT CONCERNING NOTIFICATION OF NONPAYMENT OF PREMIUM FOR INDIVIDUAL LONG-TERM CARE INSURANCE POLICIES AND LONG-TERM CARE BENEFICIARIES UNDER ANNUITY CONTRACT.

SPEAKER SHARKEY:

Representative Megna.

REP. MEGNA (97th):

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

SPEAKER SHARKEY:

The question is acceptance of the --

REP. MEGNA (97th):

-- in concurrence with the Senate.

SPEAKER SHARKEY:

The question is acceptance of the joint committee's favorable report and passage of the bill in concurrence with the Senate. Will you remark, Sir?

REP. MEGNA (97th):

Thank you, Mr. Speaker. Currently life insurers are allowed to link long term care products with life product for the benefit of the consumer. What this bill does it allows them also to link the annuity products to the long term care. Mr. Speaker, the Clerk is in possession of LCO 7047. I ask that it be called and I be permitted to summarize.

SPEAKER SHARKEY:

Will the Clerk please call LCO 7047 which has been previously designated Senate Amendment A.

THE CLERK:

Senate Amendment A, LCO 7047 introduced by

Senator Crisco and Representative Megna.

SPEAKER SHARKEY:

The Gentleman seeks leave of the Chamber to summarize. Is there objection? Seeing none, you may proceed with summarization, Sir.

REP. MEGNA (97th):

Thank you, Mr. Speaker. Mr. Speaker, this strikes section one of the bill which since we're striking it, it's not worth talking about it. I move adoption.

SPEAKER SHARKEY:

Thank you, Sir. Would you care to remark? Would you care to remark further on Senate Amendment A? Representative Sampson.

REP. SAMPSON (80th):

Thank you, Mr. Speaker. I'll just say that the -- the good Chairman of the Insurance and Real Estate Committee did a very fine job of describing the bill and the amendment. And for the sake of time I will say that we should support the amendment. It makes a good bill even better and that it's a noncontroversial bill that passed the Senate unanimously already. And I would urge my colleagues to vote for the amendment and the underlying bill. Thank you. Or the bill once

amended. Thank you, Madam -- Mr. Speaker.

SPEAKER SHARKEY:

Thank you, Sir. Would you care to remark further on Senate Amendment A? Would you care to remark further? If not, all those in favor of Senate Amendment A please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER SHARKEY:

Those opposed nay. The ayes have it. The amendment is adopted. Would you care to remark further on the bill as amended? Would 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 opened.

THE CLERK:

The House of Representatives is voting by roll.
The House of Representatives is voting by roll. Will members please report to the Chamber immediately.

SPEAKER SHARKEY:

Have all members voted? If all the members have voted -- I don't think I've seen the Minority Leader move that fast in quite some time. If all the members have voted the machine will be locked and the Clerk

will take a tally. The Clerk please announce the tally.

THE CLERK:

In concurrence with the Senate, S.B. 1027 as amended by Senate A.

Total Number Voting	145
Necessary for Adoption	73
Those voting aye	145
Those voting nay	0
Absent and not voting	5

SPEAKER SHARKEY:

The bill as amended passes in concurrence with the Senate. Will the Clerk please call Calendar number 570.

THE CLERK:

On page 21, Calendar 570 favorable report of the joint standing Committee on Judiciary, substitute Senate Bill 437, AN ACT CONCERNING THE DEPARTMENT OF ADMINISTRATIVE SERVICES AND E-GOVERNMENT, EXTENSIONS OF EXISTING CONTRACTS, A STATE AMERICANS WITH DISABILITIES ACT COORDINATOR ADVISORY COMMITTEE AND SETTLEMENTS BY THE CLAIMS COMMISSIONER.

(SB434)

SPEAKER SHARKEY:

Representative Jutila.

S - 659

**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2013**

**VOL. 56
PART 8
2153 - 2500**

THE CLERK:

On page five, Calendar 229, Senate Bill number 1027,
AN ACT CONCERNING NOTIFICATION OF NONPAYMENT OF
PREMIUM FOR INDIVIDUAL LONG TERM CARE INSURANCE
POLICIES AND LONG TERM CARE BENEFITS UNDER ANNUITY
CONTRACT, favorable report of the Committee on
Insurance and Real Estate.

THE CHAIR:

Senator Crisco.

SENATOR CRISCO:

Thank you, Madam President. Madam President, I move
acceptance of the joint committee's favorable report
and passage of the bill.

THE CHAIR:

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

SENATOR CRISCO:

Yes, Madam President. Mr. President -- Madam
President, the Clerk has an amendment, LCO 7047. I
ask that it be called and I given permission to
summarize and I move its adoption.

THE CHAIR:

Will you remark? Will you -- will you remark? Well
I'm sorry. Will you call for the amendment please.

THE CLERK:

LCO number 7047, Senate A offered by Senators Crisco,
Kelly and Representative Megna.

THE CHAIR:

Senator Crisco.

SENATOR CRISCO:

Thank you, Madam President. Madam President, this amendment strikes --

THE CHAIR:

Senator, would you like to adopt?

SENATOR CRISCO:

Well I did. Yes, I'll do it again. Yes, Madam President, I move its adoption.

THE CHAIR:

Its motion is on adoption. Will you remark, Sir?

SENATOR CRISCO:

Thank you, Madam. Madam President, this amendment it strikes section one in its entirety and it renumbers the remaining sections accordingly. And the results, it's basically that it gives individuals who have annuity policies the opportunity to purchase long term care policies. It's a particular great advantage to individuals as our population becomes more mature and there's a greater need for more long term care this adds to the benefit of adding to the long term care population.

THE CHAIR:

Will you remark? Will you remark? Senator Kelly.

SENATOR KELLY:

Thank you, Madam President. And I rise in support of the amendment. As Senator Crisco just indicated, this is a good amendment to increase individual's own money into their -- their long term care. We see with the Medicaid Program and long term care that the cost continues to increase to the State of Connecticut. And one of the ways that we can help reduce that is to get individuals to care for themselves and to use their own money.

The problem is is that we don't often think about our mortality or our age until such time as we're in our

50s and 60s. And this -- this concept is going to take -- I'm going to say the other end of the spectrum, while we're young and in the wealth accumulation phase to take money that we would put into an annuity and allow those annuity products to convert to long term care so that we use not our -- our wealth accumulation products to convert to long term care and be used for one's care in the community. So I thank Senator Crisco for his leadership on this issue and I would urge adoption of the amendment.

THE CHAIR:

Will you remark? Will you remark? If not, can I try your minds? All in favor of the amendment please say aye.

SENATORS:

Aye.

THE CHAIR:

Opposed. Amendment passes. Senator Crisco.

SENATOR CRISCO:

Thank you, Madam President. Let me also express my appreciation to Senator Kelly for his leadership. Through his advocacy for long term care benefits and senior population we continue to be a leader in the country in this particular area and this puts us one step ahead of many other states and it's just a -- a pleasure to work with him.

THE CHAIR:

Thank you. Will you remark further on the bill? Will you remark further on the bill? Senator Crisco.

SENATOR CRISCO:

If there's no objection I ask that it be placed on the Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered, Sir. Mr. Clerk.

THE CLERK:

Also on Calendar page five, Calendar 236, Substitute for Senate Bill number 907, AN ACT CONCERNING ADDITIONAL REQUIREMENTS FOR AN EMPLOYER'S NOTICE TO DISPUTE CERTAIN CARE DEEMED REASONABLE FOR AN EMPLOYEE UNDER THE WORKER'S COMPENSATION ACT, favorable report of the Committee on Labor and Public Employees.

THE CHAIR:

Senator Osten.

SENATOR OSTEN:

Good afternoon, Madam President. I move acceptance of the joint committee's joint favorable - favorable report and urge passage of the bill.

THE CHAIR:

The motion is on accepting - acceptance and passage. Will you remark Sir -- Ma'am?

SENATOR OSTEN:

Yes, Madam President. The Clerk is in possession of Amendment number LCO number 5560. May the Clerk please call that amendment and I be given leave to summarize.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO number 5560, Senate A offered by Senator Osten and Representative Tercyak.

THE CHAIR:

Senator Osten.

SENATOR OSTEN:

THE CHAIR:

The bill passes in concurrence with the House.

Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President. Mr. President, if would mark all items previously marked go should be marked passed retaining their place on the Calendar. And if the Clerk would call the items on the Consent Calendar so that we might proceed to a vote on the Consent Calendar.

THE CHAIR:

Mr. Clerk. Mr. Clerk.

THE CLERK:

On page five, Calendar 229, Senate Bill 1027, Calendar 232, Senate Bill number 984. On Calendar page nine, Calendar 336, House Bill 6529, Calendar 337, House Bill 5310. Also on page nine Calendar 338, House Bill 6313 and Calendar 339, House Bill 6315. On page ten, Calendar 345, House Bill 5970. And on page 13, Calendar 393, Senate Bill number 872. Page 18, Calendar 468, House Bill 5388. Page 27, Calendar 561, House Bill 6641 and Calendar 565, House Bill 6346. And on page 40, Calendar 302, Senate Bill 1016.

THE CHAIR:

Thank you, Mr. Clerk. The machine will be opened, vote on a Consent Calendar.

THE CLERK:

Immediate roll call has been ordered in the Senate. Senators please return to the Chamber. Immediate roll call on today's Consent Calendar in the Senate.

THE CHAIR:

Have all members voted? Have all members voted?
Please check the board and make sure your vote has accurately recorded. If all members have voted the machine will be closed and the Clerk will announce the tally.

THE CLERK:

On today's Consent Calendar.

Total Number Voting	36
Necessary for Adoption	19
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

Consent Calendar 1 passes. Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President. Mr. President, before moving for moving for adjournment for today would like to announce that we will likely be in -- in session next week Tuesday, Wednesday and Thursday and also possibly Friday so members should reserve those four days next week as -- as possible or probable session days. At this point, Mr. President, would yield the floor to members for announcements of committee meetings or for other points of personal privilege.

THE CHAIR:

Thank you, Senator. Before we do that I would like to just to take the privilege of -- May is a big birthday month and we have one of our members who is celebrating her birthday tomorrow. I would like to wish Senator Bye a happy birthday tomorrow and I'm trying to figure out if her birthday wish was granted as she's not here as she would have liked to have been here. But happy birthday.

And there is a bipartisan fruit in the caucus room for Senator Bye because she didn't want a cake so we got her some fruit that's -- that she requested. So

**STANDING
COMMITTEE
HEARINGS**

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

2013

2

March 7, 2013

tmd/gbr INSURANCE AND REAL ESTATE
COMMITTEE

1:00 P.M.

No. Then we will proceed to House Bill 5446,
David Donnelly.

Is David Donnelly here?

No. Next person is Maryanne Viscini.

Is Maryanne here?

No. We are in the right room? Aren't we?
Next person is Joan Alice Taylor.

Is Joan Alice Taylor here?

No. How about Michael Castanzo -- Castarto?
Michael Castarto. He's not here? If not, we
will proceed to 6548, Susan Giacalone.

Are you here?

A VOICE: Do you want to go back to the other one?

SENATOR CRISCO: No, she could do both.

Susan, could you also speak on 1029 and 6548?

SUSAN GIACALONE: Good afternoon, Senator Crisco,
Representative Megna and the members of the
Insurance and Real Estate Committee. I
apologize. I was outside in the hall and
didn't realize the time. I'm here -- Susan
Giacalone here on behalf of the Insurance
Association of Connecticut.

I'm testifying on Senate Bill 1027 first.
Senate Bill 1027, An Act Concerning
Notification of Non-Payment Premium for
Individual Long-Term Care Insurance Policies
and Long-Term Care Benefits Under an Annuity
Contract. This is very similar to Senate Bill
959 with the provisions for life policies.

3
tmd/gbr INSURANCE AND REAL ESTATE
COMMITTEE

March 7, 2013
1:00 P.M.

We raise the same concerns we did with 959 on this. As far as the burdens being extremely burdensome on the industry, administrative costs, prohibitions are -- are delayed. You're going to have to wait for the third party to accept and -- and all that. Additionally, within the long term care realm, currently there is already provision provided for a person taking out a long-term care insurance to designate a third party designee.

So, not only is this going to be extremely burdensome and an administrative headache, it's also redundant and confusing because there's already provisions in law. And there's also lapse provisions in the long term care policy. So, for that -- for those reasons we urge your rejection of Senate Bill 1027.

SENATOR CRISCO: Thank you, Susan.

Is there any questions for Susan? If not?
Would you please proceed?

SUSAN GIACALONE: On -- again, I'm Susan Giacalone from the Insurance Association of Connecticut. I'm here to support House Bill 6548, An Act Concerning Annuity Contracts and Long-Term Care Benefits. This is a bill you guys have seen. I think this is the fourth year running.

It's a -- simply trying to amend a -- a basically, a misorient in or an interpretation of our statute that is prohibiting a consumer benefit in being able to take some things out of the life or annuity contract to help pay for the long-term care. This is language we have worked on and agreed to with the department. And we just ask your support this year. So hopefully we can get this out and



Kate Kiernan
Regional Vice President, State Relations

Testimony of the American Council of Life Insurers
Before the Joint Committee on Insurance & Real Estate
Thursday, March 7, 2013

Senate Bill 1027 - An Act Concerning Notification of Nonpayment of Premium for Individual Long-Term Care Insurance Policies and Long-Term Care Benefits under an Annuity Contract

Senator Crisco, Representative Megna, and members of the Joint Committee on Insurance & Real Estate, the American Council of Life Insurers (ACLI) appreciates the opportunity to offer the following comments on **Senate Bill 1027 - An Act Concerning Notification Of Nonpayment Of Premium For Individual Long-Term Care Insurance Policies And Long-Term Care Benefits Under An Annuity Contract**. Under the National Association of Insurance Commissioners (NAIC) long-term care model, insurers are required to provide protections to consumers for the unintentional lapse of a long-term care policy. ACLI believes that the requirements of Section 1 of **Senate Bill 1027** are unnecessary and add an additional layer of cost and confusion to services which are already provided by long-term care insurers.

Specifically, Section 7 of the NAIC long-term care model regarding unintentional lapse states that no long-term care policy or certificate shall be issued unless the insurer has received from the applicant a written designation of at least one person to receive notice of lapse or termination for nonpayment of premium or a written waiver by the applicant electing not to designate a third party to receive notice. It further requires that the insurer notify the insured of the right to change this written designation every two years.

The requirement for registered and certified mail is costly and unnecessary. Section 7 of the model further prohibits the termination of the contract for a nonpayment of premium unless the insurer has given 30-days' notice to the insured and designees by first class United States mail. As stated above, the opportunity to designate a third party, or more than one third party, is already contained in a long-term care application and this service is offered by companies every two years. If the committee feels that additional requirements are needed in this matter, we would urge the Insurance Department promulgate a regulation which follows the NAIC Model long-term care regulation which contains many consumer protections.

Thank you for your consideration of our position in opposition to **Senate Bill 1027**. Please contact John Larkin at (860) 508-9924 or Kate Kiernan at (202) 624-2463 with any questions.

ACLI is a trade association with more than 300 legal reserve life insurer and fraternal benefit society member companies operating in the United States. ACLI members represent more than 90 percent of the assets and premiums of the life insurance and annuity industry. There are 233 ACLI member companies licensed to do business in Connecticut, accounting for 90 percent of the ordinary life insurance in force in the state.

*American Council of Life Insurers
101 Constitution Avenue, NW, Washington, DC 20001-2133
(202) 624-2463 t (866) 953-4114 f katekiernan@acll.com
www.acli.com*

STATEMENT**INSURANCE ASSOCIATION OF CONNECTICUT**

Insurance And Real Estate Committee

March 7, 2013

SB 1027, An Act Concerning Notification Of Nonpayment Of Premium For Individual Long-Term Care Insurance Policies And Long-Term Care Benefits Under An Annuity Contract

The Insurance Association of Connecticut, IAC, is opposed to Section 1 of SB 1027, An Act Concerning Notification Of Nonpayment Of Premium For Individual Long-Term Care Insurance Policies And Long-Term Care Benefits Under An Annuity Contract.

Long-term care insurance products are already subject to stringent laws and regulations in Connecticut that are patterned on the National Association of Insurance Commissioners Long-Term Care Model Act and Regulations. SB 1027 is unnecessary as Connecticut's statutory and regulatory laws already have provisions that govern options available to the consumers when policy is terminated and provide for the designation of a third party to receive lapse notices. Connecticut already has sufficient laws that permit an insured to designate someone to receive notice if their policy is to be cancelled due to nonpayment of premiums. Long-term care policies already contain unintentional lapse provisions and notice of cancellation provisions in accordance with the NAIC model laws.

Additionally the requirements in Section 1 of SB 1027 are time consuming, costly, and inconsistent with the current law and NAIC model provisions, especially the requirements concerning specific wording on envelopes used to transmit lapse notices. The requirements contained in Section 1 would place additional administrative burdens on insurers, as they would have to keep specific records concerning third party designations made in Connecticut, which will be complicated by the fact that both the insured and the third party can terminate such designation.

We know of no problem nor any history of complaints that would necessitate changing existing cancellation provisions and third-party notice requirements. Administrative costs associated with long-term care policies will be unnecessarily increased, and additional system changes will have to be made.

The IAC respectfully urges your rejection of Section 1 of SB 1027.