

Legislative History for Connecticut Act

PA 14-216

SB480

| | | |
|------------------|----------------------|-----------|
| House | 6736-6737, 6936-6940 | 7 |
| Senate | 2920-2923, 3479-3481 | 7 |
| <u>Insurance</u> | <u>1280-1284</u> | <u>5</u> |
| | | 19 |

H – 1200

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2014**

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PART 20
6540 – 6911**

Those absent and not voting 3

DEPUTY SPEAKER GODFREY:

The Consent Calendar as moved, the bills on it
are passed.

And now, Mr. Clerk, we will do Calendar 528.

THE CLERK:

House Calendar 528, Favorable Report of the joint
standing Committee on Insurance and Real Estate,
Senate Bill 480, AN ACT CONCERNING LIFE INSURANCE
PROCEDURE LICENSES AND REGISTRATIONS OF BROKER-
DEALERS, AGENTS, INVESTMENT ADVISERS AND INVESTMENT
ADVISER AGENTS.

DEPUTY SPEAKER GODFREY:

The distinguished Chairman of the Insurance and
Real Estate Committee, Representative Megna.

REP. MEGNA (97th):

Thank -- thank you, Mr. Speaker.

Mr. Speaker, I move acceptance of the joint
committee's Favorable Report and passage of the bill,
in concurrence with the Senate.

DEPUTY SPEAKER GODFREY:

The question is on passage and concurrence.
Would you explain the bill, please, Representative --

REP. MEGNA (97th):

Yes.

DEPUTY SPEAKER GODFREY:

-- Megna?

REP. MEGNA (97th):

And, Mr. Speaker, I'd first like to call a strike-all amendment, LCO 5068. I'd ask that the Clerk call it and I be permitted to summarize.

DEPUTY SPEAKER GODFREY:

Representative Aresimowicz.

REP. ARESIMOWICZ (30th):

Thank you very much, Mr. Speaker.

Mr. Speaker, I move we pass this bill temporarily.

DEPUTY SPEAKER GODFREY:

The question is on PT-ing the bill. Is there objection?

Hearing none, so ordered.

House will stand at ease.

(Chamber at ease.)

DEPUTY SPEAKER GODFREY:

Mr. Clerk, would you -- Mr. Clerk, would you kindly call Calendar 527.

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

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Thank you very much, Mr. Speaker.

Mr. Speaker, at this time the Calendar is now the go list.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

The Calendar is now the go list. All items are double -- are -- are marked go.

Mr. Clerk, 528.

THE CLERK:

Mr. Speaker, on page 29, House Calendar 528, favorable report of the Joint Standing Committee on Insurance and Real Estate, Senate Bill 480, AN ACT CONCERNING LIFE INSURANCE PRODUCER LICENSES AND REGISTRATIONS OF BROKER-DEALERS, AGENTS, INVESTMENT ADVISERS AND INVESTMENT ADVISER AGENTS.

DEPUTY SPEAKER GODFREY:

Representative Megna.

REP. MEGNA (97th):

Thank you, Mr. Speaker.

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

DEPUTY SPEAKER GODFREY:

The motion is on passage.

Representative Megna, the question is on passage.

REP. MEGNA (97th):

Thank you, Mr. Speaker.

Mr. Speaker, the Clerk is in possession of LCO 5668. I ask that it be called as a strike-all amendment and I -- and I be permitted to summarize.

DEPUTY SPEAKER GODFREY:

The Clerk is in possession of LCO Number 5668 which will be designated House Amendment Schedule "E" -- "A."

Mr. Clerk.

THE CLERK:

House Amendment Schedule "A," LCO 5668, introduced by Representative Megna and Sampson, et al.

DEPUTY SPEAKER GODFREY:

The gentleman has asked leave of the Chamber to summarize. Hearing no objection, Representative Megna.

REP. MEGNA (97th):

Thank you, Mr. Speaker.

Mr. Speaker, this bill empowers the Commissioner of Insurance to carefully select applicants for life insurance producers based on their experiences with a

mhr/md/ch/cd/gm
HOUSE OF REPRESENTATIVES

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May 7, 2014

broker license that they're granted or denied actually
from the Banking Commissioner.

It's a good bill, good consumer protection and I
move adoption and urge passage.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Representative Alberts.

REP. ALBERTS (50th):

Thank you, Mr. Speaker.

This is a good bill, ought to pass.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Let me try your minds on House Amendment Schedule

"A." All those in favor, signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

Opposed, nay.

The ayes have it. The amendment is adopted.

Representative -- Representative Hennessy.

Will you remark further on the bill as amended?

If not, staff and guests please come 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.

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members voted?

If so, the machine will be locked.

The Clerk will take a tally.

Representative -- Representative Bolinsky, aye or nay? How do you vote, Representative Bolinsky? In the affirmative.

Again, please stay close to the Chamber. We're going to be moving these quickly.

Representative Janowski, in the affirmative?

REP. JANOWSKI (56th):

Affirmative.

DEPUTY SPEAKER GODFREY:

Thank you -- thank you, ma'am.

Representative Gonzalez, in the affirmative?

Representative Gonzalez in the affirmative.

Mr. Clerk.

Mr. Clerk, announce the tally.

THE CLERK:

House Bill 480, as amended by House "A."

Total Number Voting 145

Necessary for Passage 73

Those voting Yea 145

Those voting Nay 0

Those absent and not voting 6

DEPUTY SPEAKER GODFREY:

The bill, as amended, is passed.

Mr. Clerk, please call Calendar 406.

THE CLERK:

On page 34, House Calendar 406, favorable report
of the Joint Standing Committee on Education,
Substitute House Bill 5593, AN ACT CONCERNING DOMESTIC
VIOLENCE AND SEXUAL ASSAULT.

DEPUTY SPEAKER GODFREY:

Representative Gerry Fox.

REP. FOX (146th):

Thank you, Mr. Speaker.

I move for the acceptance of the Joint
Committee's favorable report.

DEPUTY SPEAKER GODFREY:

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GENERAL ASSEMBLY
SENATE**

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THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)

The Senate will come back to order. Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President.

Mr. President, we have a number of additional items to add to the Consent Calendar.

THE CHAIR:

All right. Let's go.

SENATOR LOONEY:

First, Mr. President, Calendar page 4, Calendar --

THE CHAIR:

Hold on. Let's make sure we're in order, here. Get all our bills on Consent. Please proceed, sir.

SENATOR LOONEY:

Yes, thank you, Mr. President. The first item is Calendar page 4, Calendar 273, Senate Bill 480, 4-8-0.

Next, moving to Calendar page 14, Calendar 435, House Bill 5044.

On Calendar page 16, Calendar 450, House Bill 5371.

Also on Calendar page 16, Calendar 451, House Bill 5373.

On Calendar page 18, Calendar 464, House Bill 5293.

On Calendar page 19, Calendar 471, House Bill 5374.

On Calendar page 20, Calendar 472, House Bill 5380.

Also Calendar page 20, Calendar 488, House Bill 5222.

Moving to Calendar page 23, Calendar 504, House Bill 5309.

Also Calendar page 23, Calendar 505, House Bill 5484.

And on Calendar page 23, Calendar 506, House Bill 5487.

Moving to Calendar page 26, Mr. President, Calendar 519, House Bill 5375.

Also Calendar page 26, Calendar 520, House Bill 5471.

On Calendar page 30, Calendar 542, House Bill 5378.

Calendar page 33, Calendar 558, House Bill 5459.

And also we earlier today had placed Calendar page 37, Calendar 120, Senate Bill 237.

And one additional item, Mr. President, Calendar page 45, Calendar 158, Senate Bill 209.

So this would be our proposed Consent items at this time, Mr. President.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, and if the Clerk would then read the items on the Consent Calendar for verification so we might proceed to a vote.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On Page 4, Calendar 273, Senate Bill 480.

Page 14, Calendar 435, House Bill 5044.

On Page 16, Calendar 450, House Bill 5371.

Also Calendar 451, House Bill 5373.

On Page 18, Calendar 464, House Bill 5293.

On Page 19, Calendar 471, House Bill 5374.

On Page 20, Calendar 472, House Bill 5380.

Calendar 488, 5222.

On Page 23, Calendar 504, House Bill 5309.

And Calendar 505, House Bill 5484.

Also Calendar 506, House Bill 5487.

And on page 26, Calendar 519, House Bill 5375.

Calendar 520, House Bill 5471.

Page 30, Calendar 542, House Bill 5378.

Page 33, Calendar 558, House Bill 5459.

On Page 37, Calendar 120, Senate Bill 237.

And on page 45, Calendar 158, Senate Bill 209.

THE CHAIR:

Thank you. Mr. Clerk. Please announce the pendency of a roll call vote and the machine will be opened.

THE CLERK:

An immediate roll call has been ordered in the Senate.
roll call on today's Consent Calendar has been ordered
in the Senate.

THE CHAIR:

Have all members voted? If all members have voted, please check the board to make sure your vote is 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 | 35 |
| Necessary for adoption | 18 |
| Those voting Yea | 35 |
| Those voting Nay | 0 |
| Those absent and not voting | 1 |

THE CHAIR:

Consent Calendar Number 1 passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President.

Mr. President, would move for immediate transmittal to the House of Representatives of Senate bills acted upon today.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President.

Mr. President, would yield the floor to members for any announcements or points of personal privilege before adjourning and announcing tomorrow's Session.

THE CHAIR:

Any announcements or points of personal privilege? Announcements or points of personal privilege? Seeing none, Senator Looney.

SENATOR LOONEY:

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CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2014**

**VETO
SESSION**

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pat/gbr
SENATE

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May 7, 2014

Thank you, Madam President. Thank you, Mr. Clerk.
Madam President, we have two final items to add to the
Consent Calendar.

THE CHAIR:

Yes, sir?

SENATOR LOONEY:

Yes, the first, Madam President, is on the Calendar,
Calendar Page 40, and that is Calendar Page 40,
Calendar 572, House Joint Resolution Number 87.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President, and the second item is on,
I ask for suspension to take up an item on the Second,
on Agenda Number 2 for purpose of placing on the
Consent Calendar.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President. Calendar 480, would move
to place that item on the Consent Calendar.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President. Madam President, just a
correction, on Agenda Number 2 that was Senate Bill
480 on Agenda Number 2.

THE CHAIR:

Yes, sir. Senate Bill 480.

pat/gbr
SENATE

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May 7, 2014

SENATOR LOONEY:

If we might pause for just a moment to verify a couple of additional items.

Madam President, to verify an additional item, I believe it was placed on the Consent Calendar and Calendar Page 30, on Calendar Page 30, Calendar 592, Substitute for House Bill 5476.

THE CHAIR:

It is, sir.

SENATOR LOONEY:

It is on? Okay. Thank you. Thank you, Madam President. If the Clerk would now, finally, Agenda Number 4, Madam President, Agenda Number 4 one additional item ask for suspension to place up on Agenda Number 4 and that is, ask for suspension to place on the Consent Calendar an item from Agenda Number 4.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Madam President, and that item is Substitute House Bill Number 5566 from Senate Agenda Number 4.

Thank you, Madam President. If the Clerk would now, if we might call for a vote on the Consent Calendar.

THE CHAIR:

Mr. Clerk. Will you please call for 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.

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SENATE

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May 7, 2014

An immediate Roll Call on Consent Calendar Number 2 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:

Consent Calendar Number 2.

| | |
|-----------------------------|----|
| Total number voting | 36 |
| Necessary for adoption | 19 |
| Those voting Yea | 36 |
| Those voting Nay | 0 |
| Those absent and not voting | 0 |

THE CHAIR:

The Consent Calendar passes. Senator Looney.

SENATOR LOONEY:

Thank you, Madam President. Two additional items to take up before the, our final vote on the implementer. If we might stand for just, for just a moment.

The first item to mark Go is, Calendar, to remove from the Consent Calendar, Calendar Page 22, Calendar 536, House Bill 5546. If that item might be marked Go.

And one additional item, Madam President, and that was from Calendar, or rather from Agenda Number 4, ask for suspension to take it up for purposes of marking it Go, that is House Bill, Substitute for House Bill 5417. Thank you, Madam President.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

**JOINT
STANDING
COMMITTEE
HEARINGS**

**INSURANCE AND
REAL ESTATE
PART 3
896 – 1294**

2014

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

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Warren C. Ruppap
President

March 18, 2014

**Testimony of the Independent Insurance Agents of Connecticut
to the Insurance And Real Estate Committee
In Opposition to Raised Bill 480
An Act Concerning Life Insurance Producer Licenses and Registrations of
Broker-Dealers, Agents, Investment Advisers and Investment Adviser Agents**

Senator Crisco, Representative Megna and members of the Insurance and Real Estate Committee, my name is Warren Ruppap 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 115 years. IIAC currently represents more than 400 member agencies and their associates as well as their 3600-plus employees. I come to you today to speak in opposition to Raised Bill 480.

Effective September 1, 2002 Connecticut joined the other states in enacting an NAIC Model Licensing Law. This legislation brought standards and reciprocity to producer licensing throughout the country. Raised Bill 480 proposes to change the model act specifically in Sections 2 – 5 of the proposal. IIAC does not support changing the provisions included in the current statute. The current licensing laws for producers have proven to be effective and part of the national standard and therefore any changes should be opposed.

We thank you for your consideration.



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony

Insurance and Real Estate Committee

March 18, 2014

Raised S.B. No. 480 AN ACT CONCERNING LIFE INSURANCE PRODUCER LICENSES AND REGISTRATIONS OF BROKER-DEALERS, AGENTS, INVESTMENT ADVISERS AND INVESTMENT ADVISER AGENTS.

Senator Crisco, Representative Megna, and members of the Insurance and Real Estate Committee, the Insurance Department appreciates the opportunity to provide testimony on raised **Senate Bill No. 480: An Act Concerning Life Insurance Producer Licenses and Registrations of Broker-Dealers, Agents, Investment Advisers and Investment Adviser Agents.** Generally, raised Bill No. 480 would require the Banking Commissioner to provide a monthly list to the Insurance Commissioner of individuals registered with the Banking Commissioner pursuant to section 36b-6 of the general statutes and those individuals who have had such registration denied, suspended or revoked during the preceding ten years, and to require the Insurance Commissioner to take such denial, suspension or revocation into consideration with respect to application for and continuation of life insurance producer licenses.

Department appreciates the intent of this bill. However, the Department already receives information pertaining to those that have had registrations denied, suspended or revoke from the Banking Department. The two Departments and our Commissioners share a strong, professional relationship. There is no need to codify in statute that the Department of Banking be required to provide the Insurance Department a monthly list. Alternatively, the Insurance Department would suggest replacing section one with language that clarifies the requirements that applicants for a producer license – whether with life line of authority, property and casualty line of authority or any other line of authority – be properly qualified and trustworthy and that granting such license is not against the public interest is applicable to all individual applicants.

Department strongly opposes sections two through five. The Department respectfully requests that S.B. 480 be amended to strike sections two through five in their entirety from the underlying bill. The Department strongly opposes any proposed changes to sections 38a-702c, 38a-702f, 38a-702g or 38a-702k of the Connecticut General Statutes, as proposed by sections 2 through 5 of the bill. Sections 38a-702a through 38a-702r, inclusive, of the Connecticut General Statutes are part of legislation that was enacted to bring Connecticut law into compliance with the federal uniform provisions on financial modernization laws set forth in the Gramm-Leach-Blighly Act, Public Law 106-102, whose purpose was to organize the licensing statutes of all states in the same manner so as to promote uniformity and reciprocity among all states. In addition, in response to the Gramm-Leach-Blighly Act, the states enacted uniform laws to preclude that the authority to regulate the licensing of insurance producers be transferred to the federal

government. Any changes made to these uniform provisions would erode the state's authority that we intended to preserve.

Currently, virtually all states have adopted the model act relating to the licensing of insurance producers in the same format, and departing from such format would create potentially substantial problems for our state. Any changes made to uniform provisions would cause Connecticut to become noncompliant and would have undesirable consequences, such as for example creating potential obstacles for domestic producers seeking to become licensed in other states.

The Department thanks the Insurance Committee Chairs and members for the opportunity to provide this testimony on S.B. 480. We look forward to working with the committee on substitute language.

About the Connecticut Insurance Department The mission of the Connecticut Insurance Department is to protect consumers through regulation of the industry, outreach, education and advocacy. The Department recovers an average of more than \$4 million yearly on behalf of consumers and regulates the industry by ensuring carriers adhere to state insurance laws and regulations and are financially solvent to pay claims. The Department's annual budget is funded through assessments from the insurance industry. Each year, the Department returns an average of \$100 million a year to the state General Fund in license fees, premium taxes, fines and other revenue sources to support various state programs, including childhood immunization.

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P.O. Box 816 Hartford, CT 06142-0816
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General Assembly

February Session, 2014

Raised Bill No. 480

LCO No. 2367

02367 _____ INS

Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:

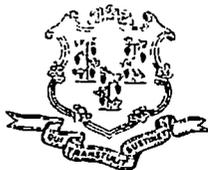
(INS)

AN ACT CONCERNING LIFE INSURANCE PRODUCER LICENSES AND REGISTRATIONS OF BROKER-DEALERS, AGENTS, INVESTMENT ADVISERS AND INVESTMENT ADVISER AGENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective October 1, 2014*) (a)

The Insurance Commissioner may deny an application for an insurance producer license if said commissioner determines that any applicant for an insurance producer license, including an applicant included in the list under subdivision (2) of subsection (a) of this section, is not properly qualified or trustworthy and that granting such license is against the public interest.



STATE OF CONNECTICUT
DEPARTMENT OF BANKING
CONSUMER AFFAIRS UNIT
260 CONSTITUTION PLAZA – HARTFORD, CT 06103-1800



Testimony
Insurance and Real Estate Committee
March 18, 2014

Raised S.B. No. 480 AN ACT CONCERNING LIFE INSURANCE PRODUCER LICENSES AND REGISTRATIONS OF BROKER-DEALERS, AGENTS, INVESTMENT ADVISERS AND INVESTMENT ADVISER AGENTS

Senator Crisco, Representative Megna, and members of the Insurance and Real Estate Committee, the Department of Banking appreciates the opportunity to provide testimony on raised Senate Bill No. 480: An Act Concerning Life Insurance Producer Licenses and Registrations of Broker-Dealers, Agents, Investment Advisers and Investment Advisers Agents.

The Department of Banking agrees with the Insurance Department's suggested alternative approach, which appears to accomplish the core aim of Senate Bill 480 in a much more efficient way. As a matter of course, the Department of Banking already shares this pertinent information with the Insurance Department. Furthermore, the Department of Banking echoes the Insurance Department's testimony: "The two Departments and our Commissioners share a strong, professional relationship. There is no need to codify in statute that the Department of Banking be required to provide the Insurance Department a monthly list."

The Department thanks the Insurance Committee Chairs and members for the opportunity to provide this testimony on S.B. 480. We look forward to working with the committee on substitute language.