



House of Representatives

General Assembly

File No. 126

February Session, 2000

House Bill No. 5144

House of Representatives, March 20, 2000

The Committee on Judiciary reported through REP. LAWLOR of the 99th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

An Act Concerning Federal Benefits In Automobile Accident Cases.

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

1 Subsection (b) of section 38a-336 of the general statutes is repealed
2 and the following is substituted in lieu thereof:

3 (b) An insurance company shall be obligated to make payment to its
4 insured up to the limits of the policy's uninsured and underinsured
5 motorist coverage after the limits of liability under all bodily injury
6 liability bonds or insurance policies applicable at the time of the
7 accident have been exhausted by payment of judgments or settlements,
8 but in no event shall the total amount of recovery from all policies,
9 including any amount recovered under the insured's uninsured and
10 underinsured motorist coverage, exceed the limits of the insured's
11 uninsured and underinsured motorist coverage. In no event shall there
12 be any reduction of uninsured or underinsured motorist coverage
13 limits or benefits payable for amounts received by the insured for

14 Social Security disability benefits paid or payable pursuant to the
15 Social Security Act, 42 USC Section 301, et seq. The limitation on the
16 total amount of recovery from all policies shall not apply to
17 underinsured motorist conversion coverage purchased pursuant to
18 section 38a-336a.

JUD Committee Vote: Yea 38 Nay 1 JF

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: Department of Insurance

Municipal Impact: None

Explanation

State Impact:

There is no fiscal impact for the Department of Insurance as a result of this bill. The bill requires that the amount of uninsured and underinsured motorist coverage that an insured receives is not reduced by Social Security disability benefits the insured receives.

OLR Bill Analysis

HB 5144

AN ACT CONCERNING FEDERAL BENEFITS IN AUTOMOBILE ACCIDENT CASES.**SUMMARY:**

This bill prohibits insurers from reducing uninsured and underinsured motor vehicle insurance coverage payment by the amount of Social Security disability benefits the insured individual receives.

EFFECTIVE DATE: October 1, 2000

BACKGROUND***Related Case***

The state Supreme Court recently interpreted state law as authorizing insurers to deduct Social Security disability benefits that insured individuals have or will receive from the amount they are liable for under the uninsured motorist provision of motor vehicle insurance policies (*Vitti v. Allstate Insurance Company*, 245 Conn. 169 (1998)).

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Report

Yea 38 Nay 1