



General Assembly

February Session, 2000

***Raised Bill No. 5694***

LCO No. 1872

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

***An Act Concerning Insurance Data Reporting Requirements  
And Minor And Technical Changes.***

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

1 Section 1. Subsection (c) of section 38a-9 of the general statutes is  
2 repealed and the following is substituted in lieu thereof:

3 (c) Notwithstanding the provisions of section 4-8, there shall be a  
4 Division of Rate Review within the Insurance Department, which  
5 division shall act on the commissioner's behalf and at [his] the  
6 commissioner's direction in order to carry out [his] the commissioner's  
7 responsibilities under this title with respect to such matters. Subject to  
8 the provisions of sections 38a-663 to [38a-697] 38a-696, inclusive, as  
9 amended, the division shall assist the commissioner in reviewing rates  
10 and supplementary rate information filed with the department for  
11 compliance with statutory requirements and standards. The division's  
12 staff shall include rating examiners with sufficient actuarial expertise.  
13 Upon the request of the commissioner, the division shall review rates  
14 and supplementary rate information, and any suspected violation of  
15 the statutory requirements and standards of sections 38a-663 to [38a-  
16 697] 38a-696, inclusive, as amended, found pursuant to such review

17 shall be referred to the commissioner for appropriate action. The  
18 division may assist the commissioner in formalizing [his] findings  
19 regarding such actions. The commissioner shall report to the joint  
20 standing committee of the General Assembly having cognizance of  
21 matters relating to insurance on or before January 15, 1988, and  
22 annually thereafter, concerning (1) the number and type of reviews  
23 conducted by the division in the prior calendar year, and (2) the  
24 percentage of increase or decrease in rates reviewed by the division  
25 during the preceding calendar year, by line and subline of insurance, [,  
26 and (3) instances of a filed rate found by the division to be a suspected  
27 violation of statutory requirements and standards, and the basis for  
28 each such finding.]

29 Sec. 2. Section 38a-696 of the general statutes is repealed and the  
30 following is substituted in lieu thereof:

31 (a) For purposes of this section:

32 (1) "Company" means an individual company, not part of a  
33 company group, licensed to write property or casualty insurance in the  
34 state of Connecticut. It does not include surplus lines companies; and

35 (2) "Company group" means a group of commonly owned  
36 companies, or companies under common management and control,  
37 that are licensed to write property or casualty insurance in the state of  
38 Connecticut. It does not include surplus lines companies.

39 (b) [On] Annually, on or before June [1, 1988, and annually  
40 thereafter] first, each company or company group writing commercial  
41 risk insurance in this state shall submit to the Insurance Commissioner,  
42 in a form required by the commissioner, a report showing its  
43 commercial risk insurance writings and experience for the preceding  
44 calendar year in this state and country-wide. [as provided herein.]  
45 Such report shall be based on the coding of business to line and class in  
46 accordance with currently filed and approved accounting rules and  
47 statistical plans. Such report shall consist of the information required

48 by subsection (c) of this section for the following lines and classes of  
49 insurance written by such company or company group: (1)  
50 Commercial automobile insurance, personal injury protection; (2) other  
51 commercial automobile insurance liability; (3) products liability  
52 insurance; (4) medical malpractice insurance; (5) other liability  
53 insurance as follows: (A) Municipal liability, (B) liquor liability, and  
54 (C) day care center liability; and (6) any other commercial liability line  
55 described as such in the annual statement or any other class of  
56 insurance designated by the commissioner. [after notice and hearing.]

57 (c) Reports filed pursuant to subsection (b) of this section shall  
58 include the following data, both specific to the state and country-wide,  
59 on a calendar year basis by the type of insurance for the previous  
60 calendar year ending on the thirty-first day of December next  
61 preceding. Such data includes: (1) Direct premiums written; (2) direct  
62 premiums earned; (3) incurred loss and loss adjustment expense;  
63 [developed as the sum of the following: (A) Dollar amount of losses  
64 paid, plus (B) reserves for reported claims at the end of the current  
65 year, minus (C) reserves for reported claims at the end of the previous  
66 year, plus (D) reserves for incurred but not reported claims at the end  
67 of the current year, minus (E) reserves for incurred but not reported  
68 claims at the end of the previous year, plus (F) loss adjustment  
69 expenses paid, plus (G) reserves for loss adjustment expenses at the  
70 end of the current year, minus (H) reserves for loss adjustment  
71 expenses at the end of the previous year;] (4) incurred expenses;  
72 [allocated separately to commissions, other acquisition costs, general  
73 expenses, taxes, licenses and fees, using appropriate estimates when  
74 necessary;] and (5) policyholder dividends. [; (6) net underwriting gain  
75 or loss; (7) net investment income, including net realized capital gains  
76 and losses, using appropriate estimates where necessary; (8) net  
77 income before tax, including net investment income; (9) federal income  
78 taxes, using appropriate estimates where necessary; and (10) net  
79 income.] For purposes of this subsection, estimates may be used where  
80 credible data are unavailable.

81 (d) The report may be submitted to the commissioner by a licensed  
82 rating or advisory organization on behalf of the insurer or insurer  
83 group.

84 ~~[(d)]~~(e) The Insurance Commissioner shall annually compile and  
85 summarize all reports submitted to [him] the commissioner pursuant  
86 to subsection (b) of this section. The commissioner's compilation shall  
87 be published and made available to any interested resident of this state  
88 upon written request to the commissioner.

89 Sec. 3. Subsection (b) of section 38a-26 of the general statutes is  
90 repealed and the following is substituted in lieu thereof:

91 (b) The commissioner shall immediately send by registered or  
92 certified mail one copy of the process to the person to be served as  
93 follows: (1) To that person's last-known principal place of business,  
94 residence, or post-office address, or (2) if a foreign insurance company,  
95 to the secretary of the company or the designee of the company, or (3)  
96 if an alien insurance company, to the resident manager, if any, in this  
97 country, or (4) if a fraternal benefit society, to the secretary or  
98 corresponding officer of the society.

99 Sec. 4. Subsection (e) of section 38a-88a of the general statutes is  
100 repealed and the following is substituted in lieu thereof:

101 (e) The credit allowed by this section may be claimed only with  
102 respect to a subject insurance business which (1) occupies the new  
103 facility for which an eligibility certificate has been issued by the  
104 [Insurance Commissioner] commissioner and with respect to which  
105 the certification required under subsection (g) of this section has been  
106 issued as its home office, and (2) employs not less than twenty-five per  
107 cent of its total work force in new jobs.

108 Sec. 5. Section 38a-363 of the general statutes is repealed and the  
109 following is substituted in lieu thereof:

110 As used in sections 38a-17, 38a-19 and 38a-363 to 38a-388, inclusive:

111 (a) "Injury" means bodily injury, sickness or disease, including death  
112 resulting therefrom, accidentally caused and arising out of the  
113 ownership, maintenance or use of a private passenger motor vehicle or  
114 a vehicle with a commercial registration, as defined in subdivision (12)  
115 of section 14-1, as amended.

116 (b) "Insurer" or "insurance company" includes a self-insurer and a  
117 person having the rights and obligations of an insurer under sections  
118 38a-19 and 38a-363 to 38a-388, inclusive, as provided by section 38a-  
119 371.

120 (c) "Occupying" a vehicle means to be in or upon or entering into or  
121 alighting from the vehicle.

122 (d) "Owner" of a private passenger motor vehicle means the person  
123 who owns the legal title thereto, except where the motor vehicle is the  
124 subject of a security agreement or lease with option to purchase with  
125 the debtor or lessee having the right to possession, in which event  
126 "owner" means the debtor or lessee.

127 (e) "Private passenger motor vehicle" means a: (1) Private passenger  
128 type automobile; (2) station-wagon-type automobile; (3) camper-type  
129 motor vehicle; (4) high-mileage-type motor vehicle, as defined in  
130 section 14-1, as amended; (5) truck-type motor vehicle with a load  
131 capacity of fifteen hundred pounds or less, registered as a passenger  
132 motor vehicle, as defined in said section, or as a passenger and  
133 commercial motor vehicle, as defined in said section, or used for  
134 farming purposes; or (6) a vehicle with a commercial registration, as  
135 defined in subdivision (12) of said section, as amended. It does not  
136 include a motorcycle or motor vehicle used as a public or livery  
137 conveyance.

138 (f) "Relative" of a person means one who is related to the person by  
139 blood, marriage or adoption.

140 (g) "Use" of a motor vehicle includes the loading or unloading

141 thereof.

142 (h) "Pedestrian" means any person not occupying a vehicle of any  
143 type other than a vehicle designed to be drawn or driven by muscular  
144 power.

145 Sec. 6. Section 38a-503 of the general statutes is repealed and the  
146 following is substituted in lieu thereof:

147 [Every] Each individual health insurance policy providing coverage  
148 of the type specified in subdivisions (1), (2), (4), [(6), (10),] (11) and (12)  
149 of section 38a-469 delivered, issued for delivery or renewed in this  
150 state on or after October 1, 1988, shall provide benefits for  
151 mammographic examinations to any woman covered under the policy  
152 which are at least equal to the following minimum requirements: (1) A  
153 baseline mammogram for any woman who is thirty-five to thirty-nine  
154 years of age, inclusive; (2) a mammogram every two years for any  
155 woman who is forty to forty-nine years of age, inclusive, or more  
156 frequently if recommended by the woman's physician; and (3) a  
157 mammogram every year for any woman who is fifty years of age or  
158 older. Such benefits shall be subject to any policy provisions which  
159 apply to other services covered by such policy.

160 Sec. 7. Subsection (a) of section 38a-504 of the general statutes is  
161 repealed and the following is substituted in lieu thereof:

162 (a) [Any] Each insurance company, hospital service corporation,  
163 medical service corporation, health care center or fraternal benefit  
164 society which delivers or issues for delivery in this state individual  
165 health insurance policies providing coverage of the type specified in  
166 subdivisions (1), (2), (4), [(10),] (11) and (12) of section 38a-469, shall  
167 provide coverage under such policies for the surgical removal of  
168 tumors and treatment of leukemia, including outpatient  
169 chemotherapy, reconstructive surgery, cost of any nondental  
170 prosthesis including any maxillo-facial prosthesis used to replace  
171 anatomic structures lost during treatment for head and neck tumors or

172 additional appliances essential for the support of such prosthesis, and  
173 outpatient chemotherapy following surgical procedure in connection  
174 with the treatment of tumors. Such benefits shall be subject to the same  
175 terms and conditions applicable to all other benefits under such  
176 policies.

177 Sec. 8. Section 38a-507 of the general statutes is repealed and the  
178 following is substituted in lieu thereof:

179 [Every] Each individual health insurance policy providing coverage  
180 of the type specified in subdivisions (1), (2), (4), (11) and (12) of section  
181 38a-469 delivered, issued for delivery or renewed in this state on or  
182 after October 1, 1989, shall provide coverage for services rendered by a  
183 chiropractor licensed under chapter 372 to the same extent coverage is  
184 provided for services rendered by a physician, if such chiropractic  
185 services (1) treat a condition covered under such policy and (2) are  
186 within those services a chiropractor is licensed to perform.

187 Sec. 9. Section 38a-534 of the general statutes is repealed and the  
188 following is substituted in lieu thereof:

189 [Every] Each group health insurance policy providing coverage of  
190 the type specified in subdivisions (1), (2), (4), [(6) and] (11) and 12 of  
191 section 38a-469, delivered, issued for delivery or renewed in this state  
192 on or after October 1, 1989, shall provide coverage for services  
193 rendered by a chiropractor licensed under chapter 372 to the same  
194 extent coverage is provided for services rendered by a physician, if  
195 such chiropractic services (1) treat a condition covered under such  
196 policy and (2) are within those services a chiropractor is licensed to  
197 perform.

198 Sec. 10. Subsection (a) of section 38a-508 of the general statutes is  
199 repealed and the following is substituted in lieu thereof:

200 (a) [Every] Each individual health insurance policy providing  
201 coverage of the type specified in subdivisions (1), (2), (4), [(6), (10),]

202 (11) and (12) of section 38a-469 delivered, issued for delivery, amended  
203 or renewed in this state on or after October 1, 1991, shall provide  
204 coverage for a child legally placed for adoption with the insured or  
205 subscriber who is an adoptive parent or a prospective adoptive parent,  
206 even though the adoption has not been finalized, provided the child  
207 lives in the household of such insured or subscriber and the child is  
208 dependent upon such person for support and maintenance.

209 Sec. 11. Subsection (b) of section 38a-535 of the general statutes is  
210 repealed and the following is substituted in lieu thereof:

211 (b) [Every] Each group health insurance policy providing coverage  
212 of the type specified in subdivisions (1), (2), (4), [(6),] (11) and (12) of  
213 section 38a-469 delivered, issued for delivery or renewed on or after  
214 October 1, 1989, or continued as defined in section 38a-531, on or after  
215 October 1, 1990, shall provide benefits for preventive pediatric care for  
216 any child covered by the policy or contract at approximately the  
217 following age intervals: Every two months from birth to six months of  
218 age, every three months from nine to eighteen months of age and  
219 annually from two through six years of age. Any such policy may  
220 provide that services rendered during a periodic review shall be  
221 covered to the extent that such services are provided by or under the  
222 supervision of a single physician during the course of one visit. Such  
223 benefits shall be subject to any policy provisions which apply to other  
224 services covered by such policy.

225 Sec. 12. Subsection (a) of section 38a-537 of the general statutes is  
226 repealed and the following is substituted in lieu thereof:

227 (a) [Any] Each individual, partnership, corporation, or  
228 unincorporated association providing group health insurance coverage  
229 of the type specified in subdivisions (1), (2), (4), (11) and (12) of section  
230 38a-469 for its employees shall furnish each insured employee, upon  
231 cancellation or discontinuation of such health insurance, notice of the  
232 cancellation or discontinuation of such insurance. The notice shall be  
233 mailed or delivered to the insured employee not less than fifteen days

234 next preceding the effective date of cancellation or discontinuation.  
235 Any individual or any such entity which fails to provide timely notice  
236 shall be fined not more than one thousand dollars for each violation.  
237 The Labor Commissioner shall have the authority to assess all such  
238 fines. This section shall apply to any such individual, partnership,  
239 corporation or unincorporated association which substitutes one policy  
240 providing such group health insurance coverage for another such  
241 policy with no interruption in coverage.

242 Sec. 13. Section 38a-541 of the general statutes is repealed and the  
243 following is substituted in lieu thereof:

244 [Every] Each health insurance policy issued under a group  
245 insurance plan and by an insurance company, hospital or medical  
246 service corporation, health care center or fraternal benefit society  
247 providing coverage of the type specified in subdivisions (1), (2), (4),  
248 (11) and (12) of section 38a-469, delivered, issued for delivery or  
249 renewed in this state shall allow the spouse of any employee  
250 participating in such or any other group insurance plan offered by the  
251 same employer to be covered as an employee in addition to being  
252 covered as a dependent of such participating employee, except that  
253 benefits provided under such combined coverage of the employee as  
254 an employee and as a dependent shall not be in excess of one hundred  
255 per cent of the charge for the covered expense or service. The  
256 provisions of this section shall apply only where a husband and wife  
257 are employed by the same employer and by reason of their  
258 employment are both participating in a group insurance plan. Nothing  
259 in this section shall alter or impair existing group health insurance  
260 policies or contracts which have been established pursuant to an  
261 agreement which resulted from collective bargaining, and the  
262 provisions required by this section shall become effective upon the  
263 next regular renewal and completion of such collective bargaining  
264 agreement.

265 Sec. 14. Subsection (a) of section 38a-549 of the general statutes is

266 repealed and the following is substituted in lieu thereof:

267 (a) [Every] Each group health insurance policy providing coverage  
268 of the type specified in subdivisions (1), (2), (4), [(6), (10),] (11) and (12)  
269 of section 38a-469 delivered, issued for delivery, amended or renewed  
270 in this state on or after October 1, 1991, shall provide coverage for a  
271 child legally placed for adoption with an employee or other member of  
272 the covered group who is an adoptive parent or a prospective adoptive  
273 parent, even though the adoption has not been finalized, provided the  
274 child lives in the household of such employee or member and the child  
275 is dependent upon such employee or member for support and  
276 maintenance.

277 Sec. 15. Subsection (b) of section 38a-492c of the general statutes is  
278 repealed and the following is substituted in lieu thereof:

279 (b) Each individual health insurance policy providing coverage of  
280 the type specified in subdivisions (1), (2), (4), [(6),] (11) and (12) of  
281 section 38a-469 delivered, issued for delivery or renewed in this state  
282 on or after October 1, 1997, shall provide coverage for amino acid  
283 modified preparations and low protein modified food products for the  
284 treatment of inherited metabolic diseases if the amino acid modified  
285 preparations or low protein modified food products are prescribed for  
286 the therapeutic treatment of inherited metabolic diseases and are  
287 administered under the direction of a physician.

288 Sec. 16. Subsection (b) of section 38a-518c of the general statutes is  
289 repealed and the following is substituted in lieu thereof:

290 (b) Each group health insurance policy providing coverage of the  
291 type specified in subdivisions (1), (2), (4), [(6),] (11) and (12) of section  
292 38a-469 delivered, issued for delivery or renewed in this state on or  
293 after October 1, 1997, shall provide coverage for amino acid modified  
294 preparations and low protein modified food products for the treatment  
295 of inherited metabolic diseases if the amino acid modified preparations  
296 or low protein modified food products are prescribed for the

297 therapeutic treatment of inherited metabolic diseases and are  
298 administered under the direction of a physician.

299 Sec. 17. Subdivision (4) of section 38a-564 of the general statutes, as  
300 amended by section 1 of public act 99-124, is repealed and the  
301 following is substituted in lieu thereof:

302 (4) "Small employer" means any person, firm, corporation, limited  
303 liability company, partnership or association actively engaged in  
304 business for at least three consecutive months who, on at least fifty per  
305 cent of its working days during the preceding twelve months,  
306 employed no more than fifty eligible employees, the majority of whom  
307 were employed within the state of Connecticut. "Small employer"  
308 includes a self-employed individual. In determining the number of  
309 eligible employees, companies which are affiliated companies, as  
310 defined in section 33-840, or which are eligible to file a combined tax  
311 return for purposes of taxation under chapter 208 shall be considered  
312 one employer. Eligible employees shall not include employees covered  
313 through the employer by health insurance plans or insurance  
314 arrangements issued to or in accordance with a trust established  
315 pursuant to collective bargaining subject to the federal Labor  
316 Management Relations Act. Except as otherwise specifically provided,  
317 provisions of sections 12-201, 12-211, 12-212a and 38a-564 to 38a-572,  
318 inclusive, as amended, which apply to a small employer shall continue  
319 to apply until the plan anniversary following the date the employer no  
320 longer meets the requirements of this definition. "Small employer"  
321 does not include a municipality procuring health insurance pursuant  
322 to section 5-259, as amended.

323 Sec. 18. Subsection (d) of section 7-479e of the general statutes is  
324 repealed and the following is substituted in lieu thereof:

325 (d) Each such interlocal risk management pool and interlocal risk  
326 management agency shall, except as specifically designated herein, be  
327 exempt from the provisions of the general statutes relating to  
328 insurance. The sections of the general statutes applicable to an

329 interlocal risk management pool and interlocal risk management  
330 agency shall be: Sections 38a-11, as amended, 38a-14, 38a-17 to 38a-19,  
331 inclusive, 38a-49, 38a-51 to 38a-53, inclusive, as amended, 38a-56, 38a-  
332 76, 38a-321, 38a-334 to 38a-336a, inclusive, as amended, 38a-338, 38a-  
333 340 to 38a-343, inclusive, [38a-350,] 38a-363 to 38a-387, inclusive, as  
334 amended by this act, 38a-663 to 38a-666, inclusive, as amended by this  
335 act, 38a-669, 38a-671, 38a-675 to 38a-682, inclusive, as amended, 38a-  
336 790, as amended, 38a-792, as amended, 38a-806, as amended, 38a-815  
337 to 38a-819, inclusive, as amended, and 38a-828.

338 Sec. 19. Section 38a-317 of the general statutes is repealed and the  
339 following is substituted in lieu thereof:

340 A mobile homeowner shall be a homeowner for purposes of  
341 sections 38a-72 to 38a-75, inclusive, 38a-285, 38a-286, 38a-305 to 38a-  
342 318, inclusive, as amended, 38a-328, 38a-663 to [38a-697] 38a-696,  
343 inclusive, as amended, 38a-827 and 38a-894 to 38a-898, inclusive, as  
344 amended by this act, and homeowners policies as regulated  
345 [thereunder] under said sections shall be offered on the same terms to  
346 such an owner as to other homeowners, when [he] such mobile  
347 homeowner owns and occupies a mobile dwelling equipped for year-  
348 round living which is permanently attached to a permanent  
349 foundation on property owned or leased by [him] such mobile  
350 homeowner, is connected to utilities, is assessed as real property on the  
351 tax list of the town in which it is located and is in conformance with  
352 applicable state and local laws and ordinances.

353 Sec. 20. Section 38a-322 of the general statutes is repealed and the  
354 following is substituted in lieu thereof:

355 Binders or other contracts for temporary insurance may be made,  
356 orally or in writing, for a period which shall not exceed sixty days, and  
357 shall be deemed to include all the terms and applicable endorsements,  
358 approved by the commissioner, as are designated in the policy to  
359 which the binder applies. The clause of such policy specifying the hour  
360 of the day at which the insurance shall commence may be superseded

361 by the express terms of such contract of temporary insurance. The  
362 provisions of this section shall apply to any insurance policy which is  
363 subject to the provisions of sections 38a-663 to [38a-697] ~~38a-696~~,  
364 inclusive, as amended, except standard fire insurance policies and  
365 automobile liability insurance policies.

366 Sec. 21. Subsections (a) and (b) of section 38a-323 of the general  
367 statutes are repealed and the following is substituted in lieu thereof:

368 (a) On or after October 1, 1986, no insurer shall refuse to renew any  
369 policy which is subject to the requirements of sections 38a-663 to [38a-  
370 697] ~~38a-696~~, inclusive, as amended, unless such insurer or its agent  
371 shall send, by registered or certified mail or by mail evidenced by a  
372 certificate of mailing, or deliver to the named insured, at the address  
373 shown in the policy, at least sixty days' advance notice of its intention  
374 not to renew. The notice of intent not to renew shall state or be  
375 accompanied by a statement specifying the reason for such  
376 nonrenewal. This section shall not apply: (1) In case of nonpayment of  
377 premium; or (2) if the insured fails to pay any advance premium  
378 required by the insurer for renewal, provided, notwithstanding the  
379 failure of an insurer to comply with this subsection, with respect to  
380 automobile liability insurance policies the policy shall terminate on the  
381 effective date of any other insurance policy with respect to any  
382 automobile designated in both policies.

383 (b) (1) On or before September 30, 1987, a premium billing notice for  
384 any policy subject to the requirements of sections 38a-663 to [38a-697]  
385 ~~38a-696~~, inclusive, as amended, except a workers' compensation policy,  
386 shall be mailed or delivered to the insured by the insurer or its agent  
387 not less than forty-five days in advance of the renewal date or the  
388 anniversary date of the policy. On or after October 1, 1987, such notice  
389 shall be so mailed or delivered to the insured not less than thirty days  
390 in advance of the policy's renewal or anniversary date, except that on  
391 or after October 1, 1998, such notice shall not be required for a  
392 commercial risk policy if the premium for the ensuing policy period is

393 to increase less than ten per cent on an annual basis. The premium  
394 billing notice shall be based on the rates and rules applicable to the  
395 ensuing policy period. The provisions of this subsection shall apply to  
396 any such policy for which the annual premium was less than fifty  
397 thousand dollars for the preceding annual policy period.

398 (2) For purposes of any commercial risk policy subject to the  
399 requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as  
400 amended, except a workers' compensation policy, the mailing or  
401 delivery of a premium billing notice by an insurer's managing general  
402 agent, in accordance with the provisions of subdivision (1) of this  
403 subsection, shall constitute compliance by such insurer with said  
404 subdivision.

405 Sec. 22. Section 38a-347 of the general statutes is repealed and the  
406 following is substituted in lieu thereof:

407 (a) The Insurance Commissioner may [promulgate such reasonable  
408 regulations as he deems necessary] adopt regulations, in accordance  
409 with chapter 54, with regard to safe driver classification plans for  
410 automobile insurance policies issued or delivered in this state.

411 (b) [It is specifically provided that such] Such regulations shall  
412 provide for the establishment of an authority by the Insurance  
413 Commissioner to review, upon the request of an insured, an insurance  
414 company's action in assigning a point or points under any such safe  
415 driver classification plan and to determine whether such action is  
416 consistent with the terms of the plan and the provisions of sections  
417 38a-663 to [38a-697] 38a-696, inclusive, as amended.

418 Sec. 23. Subsection (a) of section 38a-551 of the general statutes is  
419 repealed and the following is substituted in lieu thereof:

420 (a) "Health insurance" means hospital and medical expenses  
421 incurred policies written on a direct basis, nonprofit service plan  
422 contracts, health care center contracts and self-insured or self-funded

423 employee health benefit plans. The term "health insurance" for  
424 purposes of sections 38a-505, 38a-546 and 38a-551 to 38a-559, inclusive,  
425 as amended, shall not include accident only policies, disability income  
426 policies or coverages which are subject to regulation under sections  
427 38a-19, 38a-363 to 38a-388, inclusive, as amended by this act, and 38a-  
428 663 to [38a-697] 38a-696, inclusive, as amended.

429 Sec. 24. Section 38a-663 of the general statutes is repealed and the  
430 following is substituted in lieu thereof:

431 The following words and phrases, as used in sections 38a-663 to  
432 [38a-697] 38a-696, inclusive, as amended, shall have the following  
433 meanings unless the context otherwise requires:

434 (a) "Rating organization" means an individual, partnership,  
435 corporation, unincorporated association, other than an admitted  
436 insurer, whether located within or outside this state, who or which has  
437 as a primary object or purpose the making of rates, rating plans or  
438 rating systems. Two or more admitted insurers which act in concert for  
439 the purpose of making rates, rating plans or rating systems, and which  
440 do not operate within the specific authorizations contained in sections  
441 38a-667, 38a-669, 38a-670 and 38a-672 shall be deemed to be a rating  
442 organization. No single insurer shall be deemed to be a rating  
443 organization.

444 (b) "Advisory organization" means every group, association or other  
445 organization of insurers, whether located within or outside this state,  
446 which assists insurers or rating organizations in rate-making by the  
447 collection and furnishing of loss or expense statistics, or by the  
448 submission of recommendations, provided the term shall not include  
449 actuarial, legal or other consultants.

450 (c) "Member" means an insurer who participates in or is entitled to  
451 participate in the management of a rating, advisory or other  
452 organization.

453 (d) "Subscriber" means an insurer which is furnished at its request  
454 (1) with rates and rating manuals by a rating organization of which it  
455 is not a member, or (2) with advisory services by an advisory  
456 organization of which it is not a member.

457 (e) "Wilful" and "wilfully" in relation to an act or omission which  
458 constitutes a violation of sections 38a-663 to 38a-681, inclusive, as  
459 amended by this act, means with actual knowledge or belief that such  
460 act or omission constitutes such violation and with specific intent to  
461 commit such violation.

462 (f) "Market" means the interaction between buyers and sellers  
463 consisting of a product market component and a geographic market  
464 component, as determined by the commissioner in accordance with the  
465 provisions of subsection (b) of section 38a-687, as amended by this act.

466 (g) "Noncompetitive market" means a residual market or a market  
467 for which there is a ruling in effect pursuant to section 38a-687, as  
468 amended by this act, that a reasonable degree of competition does not  
469 exist.

470 (h) "Competitive market" means a market which has not been found  
471 to be noncompetitive pursuant to section 38a-687, as amended by this  
472 act.

473 (i) "Personal risk insurance" means homeowners, tenants, private  
474 passenger nonfleet automobile, mobile manufactured home and other  
475 property and casualty insurance for personal, family or household  
476 needs except workers' compensation insurance.

477 (j) "Commercial risk insurance" means insurance within the scope of  
478 sections 38a-663 to [38a-697] 38a-696, inclusive, as amended, which is  
479 not personal risk insurance.

480 (k) "Supplementary rate information" includes any manual or plan  
481 of rates, classification, rating schedule, minimum premium, rating rule,  
482 and any other similar information needed to determine the applicable

483 rate in effect or to be in effect.

484 (l) "Supporting information" means (1) the experience and judgment  
485 of the filer and the experience or data of other insurers or  
486 organizations relied upon by the filer, (2) the interpretation of any  
487 statistical data relied upon by the filer and (3) descriptions of methods  
488 used in making the rates, and other similar information required to be  
489 filed by the commissioner.

490 (m) "Residual market" means an arrangement for the provision of  
491 insurance in accordance with the provisions of section 38a-328, 38a-329  
492 or 38a-670.

493 Sec. 25. Subsection (a) of section 38a-675 of the general statutes is  
494 repealed and the following is substituted in lieu thereof:

495 (a) Every insurer, rating organization or advisory organization and  
496 every group, association or other organization of insurers which  
497 engages in joint underwriting or joint reinsurance shall maintain  
498 reasonable records, of the type and kind reasonably adapted to its  
499 method of operation, of its experience or the experience of its members  
500 and of the data, statistics or information collected or used by it in  
501 connection with the rates, rating plans, rating systems, underwriting  
502 rules, policy or bond forms, surveys or inspections made or used by it  
503 so that such records will be available at all reasonable times to enable  
504 the Insurance Commissioner to determine whether such organization,  
505 insurer, group or association, and, in the case of an insurer or rating  
506 organization, every rate, rating plan or rating system made or used by  
507 it, complies with the provisions of sections 38a-663 to [38a-697] 38a-  
508 696, inclusive, as amended, applicable to it. The maintenance of such  
509 records in the office of a licensed rating organization or advisory  
510 organization of which an insurer is a member or subscriber will be  
511 sufficient compliance with this section for any insurer maintaining  
512 membership or subscribership in such organization, to the extent that  
513 the insurer uses the rates, rating plans, rating systems or  
514 recommendations of such organization.

515 Sec. 26. Section 38a-676 of the general statutes is repealed and the  
516 following is substituted in lieu thereof:

517 (a) With respect to rates pertaining to commercial risk insurance,  
518 and subject to the provisions of subsection (b) of this section with  
519 respect to workers' compensation and employers' liability insurance,  
520 on or before the effective date thereof, every admitted insurer shall  
521 submit to the Insurance Commissioner for [his] the commissioner's  
522 information, except as to inland marine risks which by general custom  
523 of the business are not written according to manual rates or rating  
524 plans, every manual of classifications, rules and rates, and every  
525 minimum, class rate, rating plan, rating schedule and rating system  
526 and any modification of the foregoing which it uses. Such submission  
527 by a licensed rating organization of which an insurer is a member or  
528 subscriber shall be sufficient compliance with this section for any  
529 insurer maintaining membership or subscribership in such  
530 organization, to the extent that the insurer uses the manuals,  
531 minimums, class rates, rating plans, rating schedules, rating systems,  
532 policy or bond forms of such organization. The information shall be  
533 open to public inspection after its submission.

534 (b) Each filing as described in subsection (a) of this section for  
535 workers' compensation or employers' liability insurance shall be on file  
536 with the Insurance Commissioner for a waiting period of thirty days  
537 before it becomes effective, which period may be extended by the  
538 commissioner for an additional period not to exceed thirty days if [he]  
539 the commissioner gives written notice within such waiting period to  
540 the insurer or rating organization which made the filing that [he] the  
541 commissioner needs such additional time for the consideration of such  
542 filing. Upon written application by such insurer or rating organization,  
543 the commissioner may authorize a filing which [he] the commissioner  
544 has reviewed to become effective before the expiration of the waiting  
545 period or any extension thereof. A filing shall be deemed to meet the  
546 requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as  
547 amended, unless disapproved by the commissioner within the waiting

548 period or any extension thereof. If, within the waiting period or any  
549 extension thereof, the commissioner finds that a filing does not meet  
550 the requirements of said sections, [he] the commissioner shall send to  
551 the insurer or rating organization which made such filing written  
552 notice of disapproval of such filing, specifying therein in what respects  
553 [he] the commissioner finds such filing fails to meet the requirements  
554 of said sections and stating that such filing shall not become effective.  
555 Such finding of the commissioner shall be subject to review as  
556 provided in section 38a-19.

557 (c) The form of any insurance policy or contract the rates for which  
558 are subject to the provisions of sections 38a-663 to [38a-697] 38a-696,  
559 inclusive, as amended, other than fidelity, surety or guaranty bonds,  
560 and the form of any endorsement modifying such insurance policy or  
561 contract, shall be filed with the Insurance Commissioner prior to its  
562 issuance. The commissioner shall adopt regulations in accordance with  
563 the provisions of chapter 54 establishing a procedure for review of  
564 such policy or contract. If at any time the commissioner finds that any  
565 such policy, contract or endorsement is not in accordance with such  
566 provisions or any other provision of law, [he] the commissioner shall  
567 issue an order disapproving the issuance of such form and stating [his]  
568 the reasons therefor. The provisions of section 38a-19 shall apply to  
569 any such order issued by the commissioner.

570 Sec. 27. Section 38a-680 of the general statutes is repealed and the  
571 following is substituted in lieu thereof:

572 Any person, insurer, organization, group or association who fails to  
573 comply with the final order of the Insurance Commissioner pursuant  
574 to sections 38a-663 to [38a-697] 38a-676, inclusive, as amended, shall be  
575 fined not more than one thousand dollars, but if such failure be wilful,  
576 not more than ten thousand dollars, or imprisoned not more than one  
577 year or both. The commissioner shall collect the amount so payable  
578 and such penalties may be in addition to any other penalties provided  
579 by law.

580 Sec. 28. Subsection (e) of section 38a-687 of the general statutes is  
581 repealed and the following is substituted in lieu thereof:

582 (e) For the purpose of any hearing or investigation under sections  
583 38a-663 to [38a-697] 38a-696, inclusive, as amended, the commissioner  
584 or any officer designated by [him] the commissioner may administer  
585 oaths and affirmations, subpoena witnesses, compel their attendance,  
586 receive oral and documentary evidence and require the production of  
587 any books, papers, correspondence, memoranda, agreements or other  
588 documents or records which the commissioner deems relevant or  
589 material to the inquiry.

590 Sec. 29. Subdivisions (2) to (4), inclusive, of subsection (a) of section  
591 38a-688 of the general statutes are repealed and the following is  
592 substituted in lieu thereof:

593 (2) In a noncompetitive market, every insurer shall file with the  
594 commissioner all rates and supplementary rate information for that  
595 market and such supporting information as is required by the  
596 commissioner. For purposes of subsection (d) of section 7-479e, as  
597 amended by this act, sections 38a-341, 38a-387, 38a-665, subsection (b)  
598 of section 38a-672, and sections 38a-673, 38a-675, as amended by this  
599 act, 38a-676, as amended by this act, and 38a-686 to 38a-694, inclusive,  
600 as amended by this act, residual markets, title insurance and credit  
601 property insurance are deemed to be noncompetitive markets. All  
602 rates and supplementary rate information and such supporting  
603 information as is required by the commissioner, shall also be filed with  
604 the commissioner for insurance provided pursuant to section 38a-328,  
605 38a-329 or 38a-670. Such rates and supplementary rate information and  
606 supporting information required by the commissioner shall be on file  
607 with the commissioner for a waiting period of thirty days before it  
608 becomes effective, which period may be extended by the commissioner  
609 for an additional period not to exceed thirty days if [he] the  
610 commissioner gives written notice within such waiting period to the  
611 insurer or rating organization which made the filing that [he] the

612 commissioner needs such additional time for the consideration of such  
613 filing. Upon written application by such insurer or rating organization,  
614 the commissioner may authorize a filing which [he] the commissioner  
615 has reviewed to become effective before the expiration of the waiting  
616 period or any extension thereof. A filing shall be deemed to meet the  
617 requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as  
618 amended, unless disapproved by the commissioner within the waiting  
619 period or any extension thereof. If, within the waiting period or any  
620 extension thereof, the commissioner finds that a filing does not meet  
621 the requirements of sections 38a-663 to [38a-697] 38a-696, inclusive, as  
622 amended, [he] the commissioner shall send to the insurer or rating  
623 organization which made such filing written notice of disapproval of  
624 such filing, specifying therein in what respects [he] the commissioner  
625 finds such filing fails to meet the requirements of sections 38a-663 to  
626 [38a-697] 38a-696, inclusive, as amended, and stating that such filing  
627 shall not become effective. Such finding of the commissioner shall be  
628 subject to review as provided in section 38a-19.

629 (3) An insurer may file rates by reference, with or without deviation,  
630 to rates charged by another insurer which were filed and are in effect if  
631 the insurer's direct written premium for the applicable line of  
632 insurance is less than one-half of one per cent of the total state-wide  
633 direct written premium for that line, as determined from the annual  
634 statements filed by insurers licensed to do business in this state and as  
635 calculated by the National Association of Insurance Commissioners  
636 from its data base. Supporting information shall not be required for  
637 rates filed by reference pursuant to this subsection. For purposes of  
638 this subdivision the term "insurer" shall include two or more admitted  
639 insurers having a common ownership or operating in this state under  
640 common management or control.

641 (4) Rates filed pursuant to this section shall be filed in such form  
642 and manner as is prescribed by the commissioner. Whenever a filing  
643 made pursuant to subdivision (1) or (2) of subsection (a) of this section  
644 is not accompanied by the information upon which the insurer

645 supports such filing and the commissioner does not have sufficient  
646 information to determine whether such filing meets the requirements  
647 of sections 38a-663 to [38a-697] 38a-696, inclusive, as amended, [he] the  
648 commissioner shall require such insurer to furnish the information  
649 upon which it supports such filing and in such event the waiting  
650 period shall commence as of the date such information is furnished.  
651 The information furnished in support of a filing may include (A) the  
652 experience or judgment of the insurer making the filing, (B) its  
653 interpretation of any statistical data it relies upon, (C) the experience of  
654 other insurers or (D) any other relevant factors.

655 Sec. 30. Section 38a-692 of the general statutes is repealed and the  
656 following is substituted in lieu thereof:

657 The commissioner may on [his] the commissioner's own initiative or  
658 upon request of any person, issue a ruling, exempting any market from  
659 any or all of the provisions of subsection (d) of section 7-479e, as  
660 amended by this act, section 38a-341, subsection (a) of section 38a-343,  
661 sections 38a-358, 38a-387, 38a-663, as amended by this act, 38a-665,  
662 subsection (b) of section 38a-672, sections 38a-673, 38a-675, as amended  
663 by this act, 38a-676, as amended by this act, 38a-680, as amended by  
664 this act, 38a-686 to 38a-694, inclusive, as amended by this act, and  
665 subdivision (9) of section 38a-816, as amended, if and to the extent that  
666 [he] the commissioner finds their application unnecessary to achieve  
667 the purpose of sections 38a-663 to [38a-697] 38a-696, inclusive, as  
668 amended.

669 Sec. 31. Section 38a-695 of the general statutes is repealed and the  
670 following is substituted in lieu thereof:

671 Whenever a filing is submitted by an insurer to the Insurance  
672 Commissioner to revise the rates or supplementary rate information  
673 applicable to any policy subject to the provisions of sections 38a-663 to  
674 [38a-697] 38a-696, inclusive, as amended, [it] the filing shall specify an  
675 effective date, provided the filing may specify separate effective dates  
676 for new business and renewal business. Such rates or supplementary

677 rate information shall only apply to policies with an inception,  
678 continuation, or renewal effective date on or after the appropriate  
679 filing effective date, regardless of the date the policy is written, issued,  
680 processed or delivered. If either a coverage is changed or an exposure  
681 is added during the policy period, the insurer shall specify, at the time  
682 of the original filing, whether the applicable rates will be (1) the rates  
683 in effect at the beginning of the policy period, or (2) the rates in effect  
684 on the effective date of the change in coverage or the addition in  
685 exposure. If the latter rates are specified, such rates shall apply only to  
686 the changed coverage or the added exposure.

687       Sec. 32. Section 38a-897 of the general statutes is repealed and the  
688 following is substituted in lieu thereof:

689       Notwithstanding the provisions of sections 38a-663 to [38a-697] 38a-  
690 696, inclusive, as amended, whenever the fund assesses insurers in  
691 accordance with sections 38a-894 to 38a-898, inclusive, each insurer  
692 shall charge an additional premium on every property insurance  
693 policy issued by it insuring property in this state the effective date of  
694 which policy is within the three-year period commencing ninety days  
695 after the date of assessment by the fund. The amount of the additional  
696 premium shall be calculated on the basis of a uniform percentage of  
697 the premiums on such policies equal to one-third of the ratio of the  
698 amount of an insurer's assessment to the amount of its direct earned  
699 premiums for the calendar year immediately preceding the year in  
700 which the assessment is made, such that over the period of three years  
701 the aggregate of all such additional premium charges by an insurer  
702 shall be equal to the amount of the assessment of such insurer. The  
703 minimum additional premium charge on a policy may be one dollar,  
704 and any other additional premium charge may be rounded to the  
705 nearest dollar. Any funds collected from these additional premium  
706 charges by an insurer, in excess of any assessment, shall be transmitted  
707 forthwith to the fund.

708       Sec. 33. Sections 38a-350 and 38a-697 of the general statutes are

709 repealed.

**Statement of Purpose:**

To update the property and casualty insurance data reporting requirements in order to revise or eliminate requirements made obsolete due to changes in technology, statutory changes and changes in the insurance marketplace, to make corresponding technical changes, to make other minor changes to the insurance statutes, to clarify the applicability of certain health insurance mandates and to clarify that small employer health groups include self-insured individuals.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*