



# House of Representatives

General Assembly

**File No. 635**

*January Session, 2001*

Substitute House Bill No. 5393

*House of Representatives, May 7, 2001*

The Committee on Appropriations reported through REP. DYSON of the 94th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT PROVIDING AUTOMOBILE INSURANCE ASSISTANCE FOR INDIVIDUALS WHO RECEIVE BENEFITS UNDER THE TEMPORARY FAMILY ASSISTANCE PROGRAM.***

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

1 Section 1. (NEW) (a) The Commissioner of Social Services may offer  
2 financial assistance to offset the cost of automobile liability insurance  
3 for individuals who receive benefits under the temporary family  
4 assistance program administered by the commissioner pursuant to  
5 section 17b-112 of the general statutes. Such financial assistance shall  
6 (1) be limited to individuals who will own a private passenger motor  
7 vehicle registered in this state at the time such financial assistance is  
8 provided, (2) provide funds, within available appropriations, in an  
9 amount up to the amount such individual needs to maintain required  
10 automobile liability insurance in accordance with sections 38a-334 to  
11 38a-343, inclusive, of the general statutes, and (3) terminate when the  
12 vehicle ceases to be registered in this state or the individual ceases to  
13 be eligible for such benefits. The commissioner may provide such



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:

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**OFA Fiscal Note**

**State Impact:** Potential Significant Cost

**Affected Agencies:** Department of Social Services

**Municipal Impact:** None

**Explanation**

**State Impact:**

This bill allows the Department of Social Services (DSS) to offer financial assistance to offset the cost of automobile insurance for individuals who receive assistance under the temporary family assistance (TFA) program. The actual cost will be dependent upon the number of people who participate as well as the annual cost of the automobile insurance. It is not known how many individuals under the TFA program own vehicles and would therefore be eligible for this program.

As of January 31, 2001, there were 25,337 active cases in the TFA program. Assuming that one quarter of these cases would take advantage of this program, and assuming an average annual insurance cost of \$1,500, this proposal could cost up to \$9.5 million. The Appropriations Act, sHB 6668 (as favorably approved by the Appropriations Committee) contains no specific funding for this program.

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**OLR Bill Analysis**

sHB 5393

***AN ACT PROVIDING AUTOMOBILE INSURANCE ASSISTANCE FOR INDIVIDUALS WHO RECEIVE BENEFITS UNDER THE TEMPORARY FAMILY ASSISTANCE PROGRAM.***

**SUMMARY:**

This bill authorizes the social services commissioner, within available appropriations, to provide financial assistance to offset the cost of automobile liability insurance for people receiving Temporary Family Assistance (TFA) benefits. To be eligible, TFA recipients must submit an application to the commissioner when and on a form the commissioner prescribes. The bill prohibits the use of state funds to provide such assistance if federal funds are available.

By February 1, 2002, the bill requires the commissioner to submit to the Insurance and Human Services committees a report indicating whether he has provided financial assistance, and if so, (1) the number of people receiving it, (2) the total cost of assistance and cost per person, and (3) whether it was provided by state or federal funds or both.

The bill authorizes the commissioner to adopt implementing regulations.

EFFECTIVE DATE: July 1, 2001

**AUTOMOBILE INSURANCE PROGRAM**

***Financial Assistance***

The bill specifies that financial assistance must be (1) limited to TFA recipients who will own a Connecticut-registered vehicle at the time financial assistance is provided, (2) provided in an amount necessary to enable them to maintain minimum automobile liability insurance

coverage, and (3) terminated when the vehicle ceases to be a Connecticut-registered vehicle or the recipient is no longer eligible for TFA benefits. The bill authorizes the commissioner to pay insurers directly on behalf of covered TFA recipients.

**BACKGROUND**

***Minimum Liability Insurance Limits***

Existing law requires owners of private passenger motor vehicles to maintain insurance in the following amounts:

1. \$20,000 per-person and \$40,000 per-accident of bodily injury liability insurance,
2. \$20,000 per-person and \$40,000 per-accident of uninsured and underinsured motorist protection, and
3. \$10,000 of property damage liability protection.

***Temporary Family Assistance (TFA)***

TFA is the cash assistance component of the state’s Jobs First program. It provides up to 21 months of assistance to needy pregnant women and families with children. All earned income is disregarded as long as it is below 100% of the federal poverty level. Applicants may have no more than \$3,000 in liquid assets and can own one motor vehicle, the value of which is not counted toward the asset limit. Most heads of TFA households are expected to participate in a work activity as a condition of receiving ongoing assistance. The state provides medical assistance and child care to these families which generally continues after the family is no longer eligible for cash benefits.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Substitute Change of Reference  
Yea 14    Nay 4

Appropriations Committee

Joint Favorable Report  
Yea 37 Nay 13