



Senate

General Assembly

File No. 28

February Session, 2002

Senate Bill No. 251

Senate, March 15, 2002

The Committee on Insurance and Real Estate reported through SEN. BOZEK of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE CONFIDENTIALITY OF INSURANCE DEPARTMENT RECORDS.

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

1 Section 1. Subsections (d) and (e) of section 38a-8 of the general
2 statutes are repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2002*):

4 (d) The commissioner shall develop a program of periodic review to
5 ensure compliance by the Insurance Department with the minimum
6 standards established by the National Association of Insurance
7 Commissioners for effective financial surveillance and regulation of
8 insurance companies operating in this state. The commissioner shall
9 adopt regulations, in accordance with the provisions of chapter 54,
10 pertaining to the financial surveillance and solvency regulation of
11 insurance companies and health care centers as are reasonable and
12 necessary to obtain or maintain the accreditation of the Insurance
13 Department by the National Association of Insurance Commissioners.

14 ~~(e)~~ (1) The commissioner shall maintain, as confidential, any
15 confidential documents or information received from the National
16 Association of Insurance Commissioners, or the International
17 Association of Insurance Supervisors, or any documents or
18 information received from state or federal insurance, banking or
19 securities regulators or state or federal law enforcement agencies or
20 similar regulators or law enforcement agencies in a foreign country
21 which are confidential in such jurisdictions. The commissioner may
22 share any information, including confidential information, with the
23 National Association of Insurance Commissioners, the International
24 Association of Insurance Supervisors, or state or federal insurance,
25 banking or securities regulators or state or federal law enforcement
26 agencies or similar regulators or law enforcement agencies in a foreign
27 country so long as the commissioner determines that such entities
28 agree to maintain the same level of confidentiality in their jurisdiction
29 as is available in this state.

30 (2) The commissioner shall maintain, as confidential, information
31 obtained, collected or prepared in connection with examinations,
32 inspections or investigations, and complaints from the public received
33 by the Insurance Department if such records are protected from
34 disclosure under federal or state law or, in the opinion of the
35 commissioner, such records would disclose, or would reasonably lead
36 to the disclosure of: (A) Investigative information the disclosure of
37 which would be prejudicial to such investigation, until such time as
38 the investigation and all related administrative and legal actions are
39 concluded; (B) personal or financial information, including account or
40 loan information, without the written consent of the person or persons
41 to whom the information pertains; or (C) information that would harm
42 the reputation of any person or affect the safety and soundness of any
43 person whose activities in this state are subject to the regulation of the
44 commissioner, and the disclosure of such information under this
45 subparagraph would not be in the public interest.

46 ~~[(e)]~~ (f) The Insurance Commissioner shall establish a program to
47 reduce costs and increase efficiency through the use of electronic

48 methods to transmit documents, including policy form and rate filings,
49 to and from insurers and the Insurance Department. The commissioner
50 may sit as a member of the board of a consortium organized by or in
51 association with the National Association of Insurance Commissioners
52 for the purpose of coordinating a system for electronic rate and form
53 filing among state insurance departments and insurers.

This act shall take effect as follows:	
Section 1	<i>October 1, 2002</i>

INS *Joint Favorable*

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

Municipal Impact: None

Explanation

The bill authorizes the insurance commissioner to receive and maintain confidential information from law enforcement agencies and does not have a fiscal impact.

OLR Bill Analysis

SB 251

AN ACT CONCERNING THE CONFIDENTIALITY OF INSURANCE DEPARTMENT RECORDS**SUMMARY:**

This bill requires the insurance commissioner to maintain certain records as confidential if (1) they are protected from disclosure under federal or state law or (2) in her opinion, they would disclose, or would reasonably lead to the disclosure of certain (a) investigative, personal, or financial information or (b) information harmful to someone's reputation or the safety and soundness of his business activities.

The bill adds confidential state, federal, and foreign law enforcement agency documents or information to the list of documents and information the commissioner must maintain as confidential. It also adds state, federal, and foreign law enforcement agencies to the list of state, federal, and foreign agencies the commissioner may share information, including confidential information.

EFFECTIVE DATE: October 1, 2002

CONFIDENTIAL INFORMATION

The bill requires the commissioner to maintain as confidential (1) information obtained, collected, or prepared in connection with an examination, inspection, or investigation and (2) public complaints received by the Insurance Department.

The bill prohibits the disclosure of this information, if it is protected by state or federal law or, in the commissioner's opinion, disclosure would not be in the public interest and it would reveal or would reasonably lead to the disclosure of (1) investigative information that would prejudice an investigation, until the investigation and all related administrative and legal actions are concluded; (2) personal or financial information, including account and loan information, without the written consent of the person(s) to whom the information pertains; or (3) information that would harm the reputation of anyone or affect

the safety and soundness of a person's activities in the state that are subject to regulation by the commissioner.

The bill requires the commissioner to maintain foreign law enforcement agency documents or information confidential if they are confidential in the foreign jurisdiction. It also allows her to share confidential information with foreign law enforcement agencies that agree to maintain the same level of confidentiality in their country as is maintained in this state.

BACKGROUND

Confidential Information

The commissioner must maintain the confidentiality of certain documents and information received from the National Association of Insurance Commissioners; the International Association of Insurance Supervisors; and federal, state, and foreign insurance, banking, and securities regulators. She may also share confidential information with these organizations and agencies.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Report
Yea 17 Nay 0