



Senate

General Assembly

File No. 63

January Session, 2003

Senate Bill No. 837

Senate, March 25, 2003

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING MINOR AND TECHNICAL CHANGES TO THE INSURANCE STATUTES.

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

1 Section 1. Subdivision (11) of section 38a-1 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2003*):

4 (11) "Insurer" or "insurance company" includes any [corporation,
5 association, partnership] person or combination of persons doing any
6 kind or form of insurance business other than a fraternal benefit
7 society, and shall include a receiver of any insurer when the context
8 reasonably permits. When modified as follows, the term has the
9 following meanings:

10 (A) "Alien insurer" means any insurer that has been chartered by or
11 organized or constituted within or under the laws of any state or
12 country without the United States.

13 (B) "Domestic insurer" means any insurer that has been chartered
14 by, incorporated, organized or constituted within or under the laws of
15 this state.

16 (C) "Foreign insurer" means any insurer that has been chartered by
17 or organized or constituted within or under the laws of another state
18 or a territory of the United States.

19 (D) "Mutual insurer" means any insurance company without capital
20 stock, the managing directors or officers of which are elected by its
21 members.

22 (E) "Unauthorized insurer" or "nonadmitted insurer" means an
23 insurer that has not been granted a certificate of authority by the
24 commissioner to transact the business of insurance in this state or an
25 insurer transacting business not authorized by a valid certificate.

26 Sec. 2. Section 38a-53a of the general statutes is repealed and the
27 following is substituted in lieu thereof (*Effective October 1, 2003*):

28 Each domestic, foreign and alien insurer authorized to transact
29 insurance in this state shall annually on or before March first of each
30 year, file electronically with the National Association of Insurance
31 Commissioners a copy of its annual statement convention blank, along
32 with such additional filings as prescribed by the commissioner for the
33 preceding year. The information filed with the National Association of
34 Insurance Commissioners shall [be in the same format and scope as
35 that required] include additional filings as prescribed by the
36 commissioner and shall include the signed jurat page and the actuarial
37 certification. [Each such insurer shall also file with the National
38 Association of Insurance Commissioners a copy in electronic form of
39 any information so filed with the National Association of Insurance
40 Commissioners that was prepared in accordance with guidelines as
41 required by the Insurance Commissioner.] Any amendments and
42 addendums to the annual statement or other financial statements
43 subsequently filed with the commissioner shall also be filed with the
44 National Association of Insurance Commissioners. Foreign insurers

45 that are domiciled in a state that has a law substantially similar to the
46 provisions of this section shall be deemed in compliance with this
47 section. Upon written application of any insurer domiciled in this state
48 that transacts no insurance business in another state, the commissioner
49 may grant an exemption from compliance with this section if
50 compliance would constitute a financial or organizational hardship
51 upon the insurer. All financial analysis ratios and examination
52 synopses concerning insurance companies that are submitted to the
53 Insurance Department by the National Association of Insurance
54 [Commissioners' Insurance Regulatory Information System]
55 Commissioners are confidential and may not be disclosed or otherwise
56 made public by the department.

57 Sec. 3. Section 38a-59 of the general statutes is repealed and the
58 following is substituted in lieu thereof (*Effective October 1, 2003*):

59 An amendment to the certificate of incorporation of a domestic
60 insurance company or health care center with capital stock [which]
61 that changes the name of the company or health care center shall not
62 become effective until approved by the Insurance Commissioner after
63 reasonable notice and a public hearing, if such notice and hearing are
64 deemed by [him] the commissioner to be in the public interest. A
65 certificate of amendment conforming to the requirements of section 33-
66 800 shall be filed in the office of the Insurance Commissioner before
67 any amendment to the certificate of incorporation of a domestic
68 insurance company or health care center with capital stock [shall
69 become] becomes effective.

70 Sec. 4. Section 38a-339 of the general statutes is repealed and the
71 following is substituted in lieu thereof (*Effective October 1, 2003*):

72 (a) [Any] Each automobile insurance policy providing
73 comprehensive coverage, whether designated as such or included in a
74 policy providing broader coverage, shall provide at the option of the
75 insured complete coverage for repair or replacement of all damaged
76 safety glass without regard to any deductible or minimum amount.

77 [The provisions of this section shall apply to all automobile insurance
78 policies delivered or issued for delivery or renewed on or after October
79 1, 1979.]

80 (b) Each insurer which issues an automobile insurance policy in this
81 state that provides comprehensive coverage shall [, at the initial
82 renewal of such a policy during the calendar year 1986,] provide the
83 insured with a written notice of the availability of the coverage
84 described in subsection (a) of this section.

85 Sec. 5. Section 38a-478u of the general statutes is repealed and the
86 following is substituted in lieu thereof (*Effective October 1, 2003*):

87 The Insurance Commissioner [shall] may adopt regulations in
88 accordance with the provisions of chapter 54 to implement the
89 provisions of sections 38a-226 to 38a-226d, inclusive, 38a-478 to 38a-
90 478u, inclusive, 38a-479aa and 38a-993.

91 Sec. 6. Section 38a-512 of the general statutes is repealed and the
92 following is substituted in lieu thereof (*Effective October 1, 2003*):

93 Any policy providing major medical expense coverage which is
94 written to complement underlying hospital, medical and surgical
95 expense coverage, unless otherwise specifically provided, shall not be
96 required to include the benefits required in the underlying hospital,
97 medical and surgical expense coverage. The provisions of sections 38a-
98 513, 38a-529, 38a-532, [and] 38a-545 [to] and 38a-547 [, inclusive,] shall
99 not apply to any subscriber contract issued by a health care center.

100 Sec. 7. Subdivision (25) of section 38a-905 of the general statutes is
101 repealed and the following is substituted in lieu thereof (*Effective*
102 *October 1, 2003*):

103 (25) "Swap agreement" means an agreement, including the terms
104 and conditions incorporated by reference in an agreement, that is a
105 rate swap agreement, basis swap, commodity swap, forward rate
106 agreement, interest rate future, interest rate option, forward foreign

107 exchange agreement, spot foreign exchange agreement, rate cap
108 agreement, rate floor agreement, rate collar agreement, currency swap
109 agreement, cross-currency rate swap agreement, currency future, or
110 currency option or any other similar agreement, and includes any
111 combination of agreements and an option to enter into an agreement.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>
Sec. 2	<i>October 1, 2003</i>
Sec. 3	<i>October 1, 2003</i>
Sec. 4	<i>October 1, 2003</i>
Sec. 5	<i>October 1, 2003</i>
Sec. 6	<i>October 1, 2003</i>
Sec. 7	<i>October 1, 2003</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:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Insurance Dept.	IF - None	None	None

Note: IF=Insurance Fund

Municipal Impact: None

Explanation

The bill makes technical and other minor changes related to Department of Insurance activities that do not result in a fiscal impact on the state.

OLR Bill Analysis

SB 837

AN ACT CONCERNING MINOR AND TECHNICAL CHANGES TO THE INSURANCE STATUTES**SUMMARY:**

The bill makes several technical revisions and minor changes to the insurance statutes. It

1. updates the definition of insurer.
2. revises the annual electronic statement filing with the National Association of Insurance Commissioners (NAIC) to (a) include any additional information prescribed by the commissioner, (b) allow for future changes in filing format and scope, and (c) require filing of financial analyses and examination synopses with NAIC rather than NAIC's Insurance Regulatory Information System;
3. requires health care centers with capital stocks to obtain the commissioner's approval, after notice and hearing, to amend their certificate of incorporation to change their name;
4. makes adoption of implementing regulations governing utilization review companies, managed care companies, and preferred provider networks permissive rather than mandatory;
5. clarifies that HMOs must offer to continue an insured's group coverage when coverage is lost under a master policy; and
6. revises the definition of a swap agreement under NAIC's model insurance insolvency law to include rate cap agreements, rate floor agreements, and rate collar agreements.

The bill also deletes obsolete references and redundant language and repeals obsolete date references.

EFFECTIVE DATE: October 1, 2003

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Report

Yea 14 Nay 0

