



# Senate

General Assembly

**File No. 517**

January Session, 2005

Senate Bill No. 998

*Senate, April 26, 2005*

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

## **AN ACT CONCERNING FINES LEVIED BY THE INSURANCE COMMISSIONER.**

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

1 Section 1. Section 38a-2 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2005*):

3 Any person or corporation violating any provision of this title for  
4 the violation of which no other penalty is provided shall be fined not  
5 more than [seven thousand five hundred] fifteen thousand dollars.

6 Sec. 2. Subsection (c) of section 38a-41 of the general statutes is  
7 repealed and the following is substituted in lieu thereof (*Effective*  
8 *October 1, 2005*):

9 (c) The commissioner may, at any time, for cause, suspend, revoke  
10 or refuse to renew any such license or in lieu of or in addition to  
11 suspension or revocation of such license the commissioner, after  
12 reasonable notice to and hearing of any holder of such license, may

13 impose a fine not to exceed [ten] fifty thousand dollars. Such hearings  
14 may be held by the commissioner or any person designated by the  
15 commissioner. Whenever a person other than the commissioner acts as  
16 the hearing officer, the person shall submit to the commissioner a  
17 memorandum of the person's findings and recommendations upon  
18 which the commissioner may base a decision. The commissioner may,  
19 if the commissioner deems it in the interest of the public, publish in  
20 one or more newspapers of the state a statement that, under the  
21 provisions of this section, the commissioner has suspended or revoked  
22 the license of any insurance company or health care center to do  
23 business in this state.

24 Sec. 3. Subsection (h) of section 38a-48 of the general statutes is  
25 repealed and the following is substituted in lieu thereof (*Effective*  
26 *October 1, 2005*):

27 (h) If any assessment is not paid when due, a penalty of [ten]  
28 twenty-five dollars shall be added thereto, and interest at the rate of six  
29 per cent per annum shall be paid thereafter on such assessment and  
30 penalty.

31 Sec. 4. Subsection (d) of section 38a-53 of the general statutes is  
32 repealed and the following is substituted in lieu thereof (*Effective*  
33 *October 1, 2005*):

34 (d) Any insurance company or health care center doing business in  
35 this state which fails to file any report or statement required under this  
36 section shall pay a late filing fee of one hundred fifty dollars per day  
37 for each day from the due date of such report or statement to the date  
38 of filing.

39 Sec. 5. Subsection (a) of section 38a-90f of the general statutes is  
40 repealed and the following is substituted in lieu thereof (*Effective*  
41 *October 1, 2005*):

42 (a) If the commissioner finds after reasonable notice and hearing  
43 that the managing general agent or any other person has not materially

44 complied with any provision of sections 38a-90 to 38a-90h, inclusive, or  
45 any regulation or order [promulgated] adopted thereunder, the  
46 commissioner may order: (1) For each separate violation, a penalty in  
47 an amount of [ten] fifteen thousand dollars, and (2) revocation or  
48 suspension of the person's insurance license.

49 Sec. 6. Subsections (c) to (f), inclusive, of section 38a-140 of the  
50 general statutes are repealed and the following is substituted in lieu  
51 thereof (*Effective October 1, 2005*):

52 (c) (1) Whenever it appears to the commissioner that any insurance  
53 company or any director, officer, employee or agent thereof has  
54 committed a wilful violation of sections 38a-129 to 38a-140, inclusive,  
55 the commissioner may cause criminal proceedings to be instituted by  
56 the state's attorney for the judicial district in which the principal office  
57 of the insurance company is located or, if such insurance company has  
58 no such office in the state, by the state's attorney for the judicial district  
59 of Hartford against such insurance company or the responsible  
60 director, officer, employee or agent thereof. Any insurance company  
61 which wilfully violates said sections shall be fined not more than [ten]  
62 fifty thousand dollars. Any individual who wilfully violates said  
63 sections shall be fined not more than [three] fifteen thousand dollars  
64 or, if such wilful violation involves the deliberate perpetration of a  
65 fraud upon the commissioner, shall be imprisoned not more than two  
66 years or so fined or both.

67 (2) Any officer, director or employee of an insurance holding  
68 company system who wilfully and knowingly subscribes to or makes  
69 or causes to be made any false statements or false reports or false  
70 filings with the intent to deceive the commissioner in the performance  
71 of his duties under sections 38a-129 to 38a-140, inclusive, upon  
72 conviction thereof, shall be imprisoned not more than five years or  
73 fined not more than [twenty-five] fifty thousand dollars or both. Any  
74 fines imposed shall be paid by the officer, director or employee in his  
75 or her individual capacity.

76 (d) Whenever it appears to the commissioner that any person has  
77 committed a violation of sections 38a-129 to 38a-140, inclusive, which  
78 makes the continued operation of an insurance company contrary to  
79 the interests of its policyholders or the public, the commissioner may,  
80 after giving notice and an opportunity to be heard, suspend, revoke or  
81 refuse to renew such insurance company's license or authority to do  
82 business in this state for such period as he finds is required for the  
83 protection of its policyholders or the public.

84 (e) Any insurance company failing, without just cause, to file any  
85 registration statement as required in section 38a-135 shall be required,  
86 after notice and hearing, to pay a penalty of one hundred fifty dollars  
87 for each day's delay, to be recovered by the commissioner and the  
88 penalty so recovered shall be paid into the Insurance Fund established  
89 under section 38a-52a. The maximum penalty under this section [is  
90 ten] shall be fifteen thousand dollars. The commissioner may reduce  
91 the penalty if the insurance company demonstrates to the  
92 commissioner that the imposition of the penalty would constitute a  
93 hardship to the insurance company.

94 (f) [Every] Each director or officer of any insurance holding  
95 company system who wilfully and knowingly violates, participates in,  
96 or assents to, or who wilfully and knowingly shall permit any of the  
97 officers or agents of the insurance company to engage in transactions  
98 or make investments which have not been properly reported or  
99 submitted pursuant to section 38a-135 or 38a-136, or which violate  
100 sections 38a-129 to 38a-140, inclusive, shall pay, in their individual  
101 capacity, a civil forfeiture of not more than [five thousand] seven  
102 thousand five hundred dollars per violation, after notice and hearing  
103 before the commissioner. Any civil forfeiture so recovered shall be  
104 paid into the Insurance Fund as established under section 38a-52a. In  
105 determining the amount of the civil forfeiture, the commissioner shall  
106 take into account the appropriateness of the forfeiture with respect to  
107 the gravity of the violation, the history of previous violations, and such  
108 other matters as [he] the commissioner deems necessary.

109 Sec. 7. Subsection (b) of section 38a-164 of the general statutes is  
110 repealed and the following is substituted in lieu thereof (*Effective*  
111 *October 1, 2005*):

112 (b) Before the commissioner may revoke, suspend, or refuse to  
113 renew the license of any insurance premium finance company for  
114 cause shown, [he] the commissioner shall give to such company an  
115 opportunity to be fully heard and to introduce evidence in its behalf.  
116 In addition to or in lieu of such suspension or revocation of any license  
117 the commissioner may impose a fine not to exceed [one] five thousand  
118 dollars [in] with respect [of] to each violation of any of the provisions  
119 of subsection (a) of this section, and if [in his judgment he] the  
120 commissioner finds that the public interest would not be substantially  
121 harmed by the continued operation of such company, [he] the  
122 commissioner shall not be [obliged] required to suspend, revoke or  
123 refuse to renew any such license. The amount of any such fine shall be  
124 paid to the commissioner for deposit in the General Fund. In any  
125 hearing held under the provisions of sections 38a-160 to 38a-170,  
126 inclusive, the commissioner, or any hearing officer duly appointed by  
127 the commissioner, may administer oaths to witnesses and any person  
128 testifying falsely, after being administered such oath, shall be guilty of  
129 perjury.

130 Sec. 8. Section 38a-226b of the general statutes is repealed and the  
131 following is substituted in lieu thereof (*Effective October 1, 2005*):

132 (1) Whenever the commissioner has reason to believe that a  
133 utilization review company subject to sections 38a-226 to 38a-226d,  
134 inclusive, as amended by this act, has been or is engaging in conduct in  
135 violation of said sections, and that a proceeding by [him in respect  
136 thereto] the commissioner would be in the interest of the public, the  
137 commissioner shall issue and serve upon such company a statement of  
138 the charges in that respect and a notice of a hearing to be held at a time  
139 and place fixed in the notice, which shall not be less than thirty days  
140 after the date of service. At the time and place fixed for such hearing,  
141 such company shall have an opportunity to be heard and to show

142 cause why an order should not be made by the commissioner  
143 requiring such company to cease and desist from the alleged conduct  
144 complained of.

145 (2) If, after such hearing, the commissioner determines that the  
146 utilization review company charged has engaged in a violation of  
147 sections 38a-226 to 38a-226d, inclusive, as amended by this act, [he] the  
148 commissioner shall reduce [his] findings to writing and shall issue and  
149 cause to be served upon the utilization review company a copy of such  
150 findings and an order requiring such company to cease and desist  
151 from engaging in such violation. The commissioner may [, at his  
152 discretion,] order any one or more of the following:

153 (A) Payment of a civil penalty of not more than one thousand five  
154 hundred dollars for each and every act or violation, provided such  
155 penalty shall not exceed an aggregate penalty of [ten] fifteen thousand  
156 dollars unless the company knew or reasonably should have known it  
157 was in violation of sections 38a-226 to 38a-226d, inclusive, as amended  
158 by this act, in which case the penalty shall be not more than [five]  
159 seven thousand five hundred dollars for each and every act or  
160 violation not to exceed an aggregate penalty of [fifty] seventy-five  
161 thousand dollars in any six-month period;

162 (B) Suspension or revocation of the utilization review company's  
163 license to do business in this state if it knew or reasonably should have  
164 known that it was in violation of sections 38a-226 to 38a-226d,  
165 inclusive, as amended by this act; and

166 (C) Payment of such reasonable expenses as may be necessary to  
167 compensate the commissioner in connection with the proceedings  
168 under this subdivision which shall be dedicated exclusively to the  
169 regulation of utilization review.

170 (3) Any company aggrieved by any such order of the commissioner  
171 may appeal therefrom in accordance with the provisions of section 4-  
172 183, except venue for such appeal shall be in the judicial district of  
173 New Britain.

174 (4) Any person who violates a cease and desist order of the  
175 commissioner made pursuant to this section and while such order is in  
176 effect shall, after notice and hearing and upon order of the  
177 commissioner, be subject to the following: (A) A civil penalty of not  
178 more than [fifty] seventy-five thousand dollars; or (B) suspension or  
179 revocation of such person's license.

180 Sec. 9. Subsection (d) of section 38a-226c of the general statutes is  
181 repealed and the following is substituted in lieu thereof (*Effective*  
182 *October 1, 2005*):

183 (d) No provider, enrollee or agent thereof may provide to any  
184 utilization review company information which is fraudulent or  
185 misleading. If fraudulent or misleading statements have occurred, the  
186 commissioner shall provide notice of the alleged violation and  
187 opportunity to request a hearing in accordance with chapter 54 to said  
188 provider, enrollee or agent thereof. If a hearing is not requested or if  
189 after a hearing the commissioner finds that a violation has in fact  
190 occurred, the commissioner may impose a civil penalty (1) of not more  
191 than [five thousand] seven thousand five hundred dollars, or (2)  
192 commensurate with the value of services provided which were  
193 certified as a result of said fraudulent or misleading information. In  
194 addition, any allegation or denial made without reasonable cause and  
195 found untrue shall subject the party pleading the same to the payment  
196 of such reasonable expenses as may be necessary to compensate the  
197 department for expenses incurred due to such untrue pleading. All  
198 such payments to the department shall be dedicated exclusively to the  
199 regulation of utilization review.

200 Sec. 10. Subsection (e) of section 38a-277 of the general statutes is  
201 repealed and the following is substituted in lieu thereof (*Effective*  
202 *October 1, 2005*):

203 (e) If the insured fails to withhold from the premium the amount of  
204 tax herein levied, the insured shall be liable for the amount thereof and  
205 shall pay the same to the Commissioner of Revenue Services within

206 the time stated in subsection (c) of this section. Any person who fails to  
207 pay the tax within the time stated in subsection (c) of this section shall  
208 pay a penalty of ten per cent thereof or [fifty] seventy-five dollars,  
209 whichever is greater, which penalty shall be paid at the time of paying  
210 such tax. Interest shall be added to the tax at the rate of one per cent  
211 per month or fraction thereof from the date such payment was due to  
212 the date paid. Subject to the provisions of section 12-3a, the  
213 commissioner may waive all or part of the penalties provided under  
214 this section when it is proven to [his] the commissioner's satisfaction  
215 that the failure to pay any tax was due to reasonable cause and was not  
216 intentional or due to neglect.

217 Sec. 11. Section 38a-278 of the general statutes is repealed and the  
218 following is substituted in lieu thereof (*Effective October 1, 2005*):

219 (a) Any unauthorized insurer who does any act of an insurance  
220 business as set forth in section 38a-271 shall be fined not more than  
221 [ten] fifty thousand dollars.

222 (b) In addition to the penalty provided in subsection (a) of this  
223 section or otherwise provided by law, any person or insurer violating  
224 section 38a-27 or 38a-271 to 38a-278, inclusive, as amended by this act,  
225 shall be fined two thousand five hundred dollars for the first offense  
226 and an additional two thousand five hundred dollars for each month  
227 during which any such person or insurer continues such violation.

228 Sec. 12. Section 38a-287 of the general statutes is repealed and the  
229 following is substituted in lieu thereof (*Effective October 1, 2005*):

230 Any person who obtains or attempts to obtain, from any life or  
231 accident insurance company of this state, any money on any policy of  
232 insurance issued by it, by falsely or fraudulently representing the  
233 insured person as dead or the person insured against accident as  
234 injured, or fraudulently obtains or attempts to obtain any money from  
235 such company upon a policy of insurance issued in the name of a  
236 fictitious person, shall, (1) if the sum so obtained or attempted to be  
237 obtained is [one hundred] two thousand dollars or more, be

238 imprisoned not more than ten years, [; and,] and (2) if [such] the sum is  
239 less than [one hundred] two thousand dollars, [he shall] be fined not  
240 more than [five hundred] ten thousand dollars or imprisoned not more  
241 than one year or both.

242 Sec. 13. Section 38a-306 of the general statutes is repealed and the  
243 following is substituted in lieu thereof (*Effective October 1, 2005*):

244 The form of policy of fire insurance set forth in section 38a-307 shall  
245 be known and designated as "The Standard Fire Insurance Policy of  
246 the State of Connecticut". The standard form of policy shall be plainly  
247 printed, and no portion thereof shall be in type smaller than the type  
248 used in printing such form on file in the office of the commissioner.  
249 The provisions of this section shall not limit insurance companies to  
250 the use of any particular size of paper or manner of folding the paper  
251 upon which their policies may be issued, and each agent who makes,  
252 issues or delivers a policy of fire insurance other than the standard  
253 form of fire insurance policy shall forfeit for each offense not more  
254 than [two hundred] one thousand dollars, [;] but such policy shall be  
255 binding upon the company issuing the same to the same extent and on  
256 the same conditions as if it had been in the standard form.

257 Sec. 14. Section 38a-464 of the general statutes is repealed and the  
258 following is substituted in lieu thereof (*Effective October 1, 2005*):

259 A "burial contract" or "burial certificate", within the meaning of this  
260 section, is any instrument in writing whereby any person, firm,  
261 corporation or association, in consideration of the payment of a  
262 specified sum of money or for any other valuable consideration,  
263 promises or agrees to embalm or inter or otherwise dispose of, or to  
264 procure the embalmment or interment or other disposal of, the  
265 remains of any person who is living at the time of the execution of  
266 such instrument. No person, firm, corporation or association shall  
267 transact the business of issuing burial contracts or burial certificates  
268 until such person, firm, corporation or association has procured from  
269 the commissioner a license to conduct such business under such

270 regulations as the commissioner [prescribes] may prescribe in  
271 accordance with chapter 54. All the applicable provisions of the  
272 general statutes which pertain to and govern the issuance of policies of  
273 life insurance are made applicable to and shall govern the issuance of  
274 burial contracts or burial certificates. Any person who violates any  
275 provision of this section shall be fined not more than [five hundred] six  
276 thousand dollars or imprisoned not more than one year or both.

277 Sec. 15. Section 38a-506 of the general statutes is repealed and the  
278 following is substituted in lieu thereof (*Effective October 1, 2005*):

279 Any insurer, hospital or medical service corporation, health care  
280 center or fraternal benefit society, or any officer or agent thereof,  
281 delivering or issuing for delivery to any person in this state any policy  
282 in violation of any of the provisions of sections 38a-481 to 38a-488,  
283 inclusive, shall be fined not more than [five hundred] ten thousand  
284 dollars for each offense, and the commissioner may revoke the license  
285 of any foreign or alien insurer, or any agent thereof, violating any of  
286 said provisions.

287 Sec. 16. Subsection (a) of section 38a-537 of the general statutes is  
288 repealed and the following is substituted in lieu thereof (*Effective*  
289 *October 1, 2005*):

290 (a) Any individual, partnership, corporation, or unincorporated  
291 association providing group health insurance coverage for its  
292 employees shall furnish each insured employee, upon cancellation or  
293 discontinuation of such health insurance, notice of the cancellation or  
294 discontinuation of such insurance. The notice shall be mailed or  
295 delivered to the insured employee not less than fifteen days next  
296 preceding the effective date of cancellation or discontinuation. Any  
297 individual or any such entity which fails to provide timely notice shall  
298 be fined not more than [one] two thousand dollars for each violation.  
299 The Labor Commissioner shall have the authority to assess all such  
300 fines. This section shall apply to any such individual, partnership,  
301 corporation or unincorporated association which substitutes one policy

302 providing such group health insurance coverage for another such  
303 policy with no interruption in coverage.

304 Sec. 17. Section 38a-548 of the general statutes is repealed and the  
305 following is substituted in lieu thereof (*Effective October 1, 2005*):

306 Any insurer, hospital or medical service corporation, health care  
307 center or fraternal benefit society, or any officer or agent thereof,  
308 delivering or issuing for delivery to any person in this state any policy  
309 in violation of any of the provisions of sections 38a-512 to 38a-533,  
310 inclusive, 38a-537 to 38a-542, inclusive, as amended by this act, and  
311 38a-545, shall be fined not more than [five hundred] one thousand  
312 dollars for each offense, and the commissioner may revoke the license  
313 of any foreign or alien insurer, or any agent thereof, violating any of  
314 those provisions.

315 Sec. 18. Section 38a-588 of the general statutes is repealed and the  
316 following is substituted in lieu thereof (*Effective October 1, 2005*):

317 Any dental plan organization which violates any provision of  
318 sections 38a-577 to 38a-590, inclusive, or neglects, fails or refuses to  
319 comply with any of the requirements of said sections, except the failure  
320 to file an annual report and the failure to reply in writing to inquiries  
321 of the commissioner, shall be liable for a civil penalty of not more than  
322 one thousand five hundred dollars for each violation. The  
323 commissioner may bring a civil action to recover the amount of a civil  
324 penalty.

325 Sec. 19. Section 38a-626 of the general statutes is repealed and the  
326 following is substituted in lieu thereof (*Effective October 1, 2005*):

327 Any person who wilfully makes a false or fraudulent statement in  
328 or relating to an application for membership or for the purpose of  
329 obtaining money from or a benefit in any society shall be fined not less  
330 than [one hundred] two thousand dollars nor more than [five  
331 hundred] ten thousand dollars or imprisoned not less than thirty days  
332 nor more than one year or both. Any person who wilfully makes a

333 false or fraudulent statement in any verified report or declaration  
334 under oath required or authorized by sections 38a-595 to 38a-626,  
335 inclusive, 38a-631 to 38a-640, inclusive, and 38a-800, or of any material  
336 fact or thing contained in a sworn statement concerning the death or  
337 disability of a member for the purpose of procuring payment of a  
338 benefit named in the certificate, shall be guilty of false statement and  
339 shall be subject to the penalties therefor. Any person who solicits  
340 membership for, or in any manner assists in procuring membership in,  
341 any society not licensed to do business in this state shall be fined not  
342 less than [fifty] one thousand dollars nor more than [two hundred]  
343 four thousand dollars. Any person guilty of a wilful violation of, or  
344 neglect or refusal to comply with, the provisions of said sections for  
345 which a penalty is not otherwise prescribed shall be fined not more  
346 than [two hundred] four thousand dollars.

347 Sec. 20. Section 38a-658 of the general statutes is repealed and the  
348 following is substituted in lieu thereof (*Effective October 1, 2005*):

349 Any person, firm or corporation violating any provision of sections  
350 38a-645 to 38a-658, inclusive, shall be fined not more than [two  
351 hundred and fifty] one thousand five hundred dollars or imprisoned  
352 not more than two years or both. The commissioner may revoke or  
353 suspend the license or certificate of authority of the person guilty of  
354 such violation. Such order for suspension or revocation shall be after  
355 notice and hearing, and shall be subject to judicial review as provided  
356 in section 38a-657.

357 Sec. 21. Section 38a-680 of the general statutes is repealed and the  
358 following is substituted in lieu thereof (*Effective October 1, 2005*):

359 Any person, insurer, organization, group or association that fails to  
360 comply with the final order of the Insurance Commissioner pursuant  
361 to sections 38a-663 to 38a-696, inclusive, shall be fined not more than  
362 [one] two thousand dollars, but if such failure be wilful, not more than  
363 [ten] twenty thousand dollars, or imprisoned not more than one year  
364 or both. The commissioner shall collect the amount so payable and

365 such penalties may be in addition to any other penalties provided by  
366 law.

367 Sec. 22. Section 38a-703 of the general statutes is repealed and the  
368 following is substituted in lieu thereof (*Effective October 1, 2005*):

369 No person shall, within this state, solicit or procure insurance,  
370 except with regard to his own property or person, with or by any  
371 insurance company which does not hold a certificate then in force from  
372 the commissioner authorizing such insurance company to do such  
373 insurance business in this state, or deliver policies or collect premiums  
374 of or for any such company; nor shall any person aid in any way in the  
375 transaction in this state of any insurance business with or by any  
376 insurance company not thus authorized, except to obtain insurance  
377 upon his own property or person. Any person who aids any  
378 corporation, association or person not authorized to do insurance  
379 business in this state in soliciting such business from residents of this  
380 state, by means of any advertisement published in this state or by any  
381 other means, shall be fined not more than [one hundred] two thousand  
382 dollars or imprisoned not more than six months or both.

383 Sec. 23. Section 38a-704 of the general statutes is repealed and the  
384 following is substituted in lieu thereof (*Effective October 1, 2005*):

385 Any person, partnership, association, limited liability company or  
386 corporation, or any person, partnership, association, limited liability  
387 company or corporation acting under a trade name, who acts within  
388 this state, either on the person's own behalf or as a representative or  
389 agent of any other person or partnership, association, limited liability  
390 company or corporation or any other person, partnership, association,  
391 limited liability company or corporation acting under a trade name, as  
392 an insurance producer, as defined in section 38a-702a, unless such  
393 person holds an insurance producer license then in force from the  
394 commissioner authorizing the person so to act, shall be fined not more  
395 than [five hundred] ten thousand dollars or imprisoned not more than  
396 three months or both.

397 Sec. 24. Section 38a-713 of the general statutes is repealed and the  
398 following is substituted in lieu thereof (*Effective October 1, 2005*):

399 Any insurance producer who signs or countersigns any policy of  
400 insurance or countersigns any endorsement thereon in blank shall be  
401 fined not more than one [hundred] thousand dollars [,] and the  
402 commissioner shall revoke the producer's license.

403 Sec. 25. Section 38a-725 of the general statutes is repealed and the  
404 following is substituted in lieu thereof (*Effective October 1, 2005*):

405 Any person who acts within this state, either [in his] on the person's  
406 own behalf or as representative or agent of any other person or any  
407 partnership, association or corporation as a public adjuster, unless  
408 such person holds a license then in force from the commissioner  
409 authorizing [him] the person so to act, shall be fined not more than  
410 [five hundred] ten thousand dollars or imprisoned not more than three  
411 months or both.

412 Sec. 26. Section 38a-733 of the general statutes is repealed and the  
413 following is substituted in lieu thereof (*Effective October 1, 2005*):

414 A certified insurance consultant who furnishes any advice or  
415 counsel as such consultant, makes any recommendation or gives any  
416 information except under the terms of a previously executed written  
417 contract conforming to section 38a-732 and in full force and effect shall  
418 thereupon, in [every] each case, give to the recipient thereof a  
419 statement in writing, signed by [him] the consultant, in a form  
420 currently approved by the commissioner, specifying the advice,  
421 counsel, recommendation or information given, and a receipt, in a  
422 form currently approved by the commissioner, for the fee paid to [him]  
423 the consultant or a statement, in a form currently approved by the  
424 commissioner, of the fee to be received by [him] the consultant  
425 therefor. Any person who violates any provision of this section shall be  
426 fined not less than two hundred fifty nor more than two thousand five  
427 hundred dollars.

428 Sec. 27. Section 38a-735 of the general statutes is repealed and the  
429 following is substituted in lieu thereof (*Effective October 1, 2005*):

430 Any person who acts as a certified insurance consultant without  
431 such license or during a suspension of [his] the person's license shall  
432 be fined not less than two hundred fifty nor more than two thousand  
433 five hundred dollars or be imprisoned not more than six months or  
434 both.

435 Sec. 28. Subsection (b) of section 38a-764 of the general statutes is  
436 repealed and the following is substituted in lieu thereof (*Effective*  
437 *October 1, 2005*):

438 (b) Any person who in this state acts as fraternal agent for a society  
439 without having authority so to do by virtue of a license issued and in  
440 force pursuant to the provisions of this section, except as provided in  
441 subsection (a) of this section, shall be fined not more than [one  
442 hundred] ten thousand dollars.

443 Sec. 29. Section 38a-773 of the general statutes is repealed and the  
444 following is substituted in lieu thereof (*Effective October 1, 2005*):

445 Any person impersonating or attempting or offering to impersonate  
446 another person in taking or attempting or offering to take any  
447 examination held in accordance with the regulations of the Insurance  
448 Department, or procuring any other person falsely to take or attempt  
449 or offer to take any such examination for an applicant for a license,  
450 shall be fined not more than [five hundred] four thousand dollars or  
451 imprisoned not more than six months or both.

452 Sec. 30. Subsection (a) of section 38a-774 of the general statutes is  
453 repealed and the following is substituted in lieu thereof (*Effective*  
454 *October 1, 2005*):

455 (a) The commissioner, after reasonable notice to and hearing of any  
456 holder of a license issued by the commissioner, may suspend or revoke  
457 the license for cause shown. In addition to or in lieu of suspension or

458 revocation, the commissioner may impose a fine not to exceed [one]  
459 five thousand dollars. Hearings may be held by the commissioner or  
460 by any person designated by the commissioner. Whenever a person  
461 other than the commissioner acts as the hearing officer, [he] the person  
462 shall submit to the commissioner a memorandum of [his] findings and  
463 recommendations upon which the commissioner may base [his] a  
464 decision.

465 Sec. 31. Section 38a-777 of the general statutes is repealed and the  
466 following is substituted in lieu thereof (*Effective October 1, 2005*):

467 Any licensee under sections 38a-741 to 38a-744, inclusive, [38a-777  
468 and] or section 38a-794 who negotiates, continues or renews any  
469 contract for insurance in any unauthorized company, and who  
470 neglects to make and file the affidavit and statements required by said  
471 sections, or who wilfully makes a false affidavit or statement, or who  
472 negotiates, continues or renews any such contract of insurance after  
473 the revocation or during the suspension of the licensee's license, shall  
474 forfeit the license if not previously revoked and shall be fined not more  
475 than [five hundred] four thousand dollars or imprisoned not more  
476 than six months or both.

477 Sec. 32. Subsection (c) of section 38a-786 of the general statutes is  
478 repealed and the following is substituted in lieu thereof (*Effective*  
479 *October 1, 2005*):

480 (c) The commissioner may at any time require such information as  
481 [he] the commissioner deems necessary [in] with respect to the  
482 business methods, policies and transactions of a licensee under this  
483 section. Any person who fails or refuses to furnish the commissioner,  
484 in such form as [he] the commissioner may require, any such  
485 information within ten days after receiving a written request therefor  
486 shall be fined not less than two hundred fifty nor more than two  
487 thousand five hundred dollars.

488 Sec. 33. Subsection (b) of section 38a-790 of the general statutes is  
489 repealed and the following is substituted in lieu thereof (*Effective*

490 *October 1, 2005*):

491 (b) Any person who violates any provision of this section shall be  
492 fined not more than two thousand five hundred dollars or imprisoned  
493 not more than one year or both.

494 Sec. 34. Subsection (c) of section 38a-792 of the general statutes is  
495 repealed and the following is substituted in lieu thereof (*Effective*  
496 *October 1, 2005*):

497 (c) Any person who violates any provision of this section shall be  
498 fined not more than two [hundred] thousand dollars or imprisoned  
499 not more than one year or both.

500 Sec. 35. Section 38a-817 of the general statutes is repealed and the  
501 following is substituted in lieu thereof (*Effective October 1, 2005*):

502 (a) Whenever the commissioner has reason to believe that any such  
503 person has been engaged or is engaging in violation of sections 38a-815  
504 to 38a-819, inclusive, in any unfair method of competition or any  
505 unfair or deceptive act or practice defined in section 38a-816, and that a  
506 proceeding by him in respect thereto would be to the interest of the  
507 public, he shall issue and serve upon such person a statement of the  
508 charges in that respect and a notice of a hearing thereon to be held at a  
509 time and place fixed in the notice, which shall not be less than thirty  
510 days after the date of the service thereof. At the time and place fixed  
511 for such hearing, such person shall have an opportunity to be heard  
512 and to show cause why an order should not be made by the  
513 commissioner requiring such person to cease and desist from the acts,  
514 methods or practices so complained of. Upon good cause shown, the  
515 commissioner shall permit any person to intervene, appear and be  
516 heard at such hearing by counsel or in person. The commissioner,  
517 upon such hearing, may administer oaths, examine and cross-examine  
518 witnesses and receive oral and documentary evidence, and shall have  
519 the power to subpoena witnesses, compel their attendance and require  
520 the production of books, papers, records, correspondence or other  
521 documents which he deems relevant to the inquiry. In case of a refusal

522 of any person to comply with any subpoena issued hereunder or to  
523 testify with respect to any matter concerning which he may be lawfully  
524 interrogated, the superior court for the judicial district of New Britain  
525 or the superior court for the judicial district where such person resides,  
526 on application of the commissioner, may issue an order requiring such  
527 person to comply with such subpoena and to testify; and any failure to  
528 obey any such order of the court may be punished by the court as a  
529 contempt thereof. Statements of charges, notices, orders and other  
530 processes of the commissioner under sections 38a-815 to 38a-819,  
531 inclusive, may be served in the manner provided by law for service of  
532 process in civil actions.

533 (b) If, after such hearing, the commissioner determines that the  
534 person charged has engaged in an unfair method of competition or an  
535 unfair or deceptive act or practice, the commissioner shall reduce the  
536 commissioner's findings to writing and shall issue and cause to be  
537 served upon the person charged with the violation a copy of such  
538 findings and an order requiring such person to cease and desist from  
539 engaging in such method of competition, act or practice and if the act  
540 or practice is a violation of section 38a-816, the commissioner may, at  
541 the commissioner's discretion order any one or more of the following:  
542 (1) Payment of a monetary penalty of not more than [~~one~~] five  
543 thousand dollars for each and every act or violation but not to exceed  
544 an aggregate penalty of [~~ten~~] fifty thousand dollars unless the person  
545 knew or reasonably should have known that the person was in  
546 violation of [~~section~~] sections 38a-815, 38a-816, this subsection and  
547 subsection (e) of this section, in which case the penalty shall be not  
548 more than [~~five~~] ten thousand dollars for each and every act or  
549 violation but not to exceed an aggregate penalty of [~~fifty~~] one hundred  
550 thousand dollars in any six-month period; (2) suspension or revocation  
551 of the person's license if the person knew or reasonably should have  
552 known the person was in violation of said sections and subsections; (3)  
553 restitution of any sums shown to have been obtained in violation of  
554 any of the provisions of said sections or any regulation implementing  
555 the provisions of said sections.

556 (c) Any person aggrieved by any such order of the commissioner  
557 may appeal therefrom in accordance with the provisions of section 4-  
558 183, except venue for such appeal shall be in the judicial district of  
559 New Britain.

560 (d) No order of the commissioner under sections 38a-815 to 38a-819,  
561 inclusive, shall relieve or absolve any person affected by such order  
562 from any liability under any other laws of this state.

563 (e) Any person who violates a cease and desist order of the  
564 commissioner made pursuant to this section and while such order is in  
565 effect shall, after notice and hearing and upon order of the  
566 commissioner, be subject to any one or more of the following: (1) A  
567 monetary penalty of not more than [ten] fifty thousand dollars for each  
568 and every act or violation; or (2) suspension or revocation of such  
569 person's license.

570 Sec. 36. Section 38a-826 of the general statutes is repealed and the  
571 following is substituted in lieu thereof (*Effective October 1, 2005*):

572 No insurance company, producer or any other person,  
573 copartnership or corporation shall make or issue, or cause to be made  
574 or issued, any written or oral statements, misrepresenting or making  
575 incomplete comparisons regarding the terms or conditions or benefits  
576 contained in any policy or contract of insurance, legally issued by any  
577 insurance company licensed to transact business in this state, for the  
578 purpose of inducing or attempting to induce the owner of such policy  
579 or contract of insurance to forfeit or surrender such policy or contract  
580 of insurance or allow it to lapse for the purpose of replacing such  
581 policy or contract of insurance with another. Any person who violates  
582 any provision of this section shall be fined not more than five  
583 [hundred] thousand dollars or imprisoned not more than thirty days  
584 or both.

585 Sec. 37. Section 38a-830 of the general statutes is repealed and the  
586 following is substituted in lieu thereof (*Effective October 1, 2005*):

587 Any person or corporation which violates any provision of section  
588 38a-828 or 38a-829 shall, for the first offense, forfeit to the state [five  
589 hundred] ten thousand dollars and, for each subsequent offense, [one]  
590 twenty thousand dollars.

591 Sec. 38. Subdivision (2) of section 38a-843 of the general statutes is  
592 repealed and the following is substituted in lieu thereof (*Effective*  
593 *October 1, 2005*):

594 (2) The commissioner may: (a) Require that said association notify  
595 those persons insured by the insolvent insurer, and any other  
596 interested parties, of the determination of insolvency and of their  
597 rights under sections 38a-836 to 38a-853, inclusive. Such notification  
598 shall be by mail sent to their last known address, where available,  
599 provided if sufficient information for such notification by mail is not  
600 available, notice by publication in a newspaper of general circulation  
601 shall be sufficient to satisfy the requirements of this subsection; (b)  
602 suspend or revoke, after notice and hearing, the certificate of authority  
603 to transact insurance in this state of any member insurer which fails to  
604 pay an assessment when due or which fails to comply with said plan  
605 of operation. In lieu of any such suspension or revocation, the  
606 commissioner may levy a fine on any member insurer which fails to  
607 pay an assessment when due, provided no such fine shall exceed five  
608 per cent of the unpaid assessment per month, and provided no fine  
609 shall be less than [one] five hundred dollars per month; (c) revoke the  
610 designation of any servicing facility if [he] the commissioner finds  
611 claims are being handled unsatisfactorily.

612 Sec. 39. Subsection (b) of section 38a-868 of the general statutes is  
613 repealed and the following is substituted in lieu thereof (*Effective*  
614 *October 1, 2005*):

615 (b) The commissioner may suspend or revoke, after notice and  
616 hearing, the certificate of authority issued by this state to any member  
617 insurer which fails to pay an assessment when due or fails to comply  
618 with the plan of operation. As an alternative the commissioner may

619 levy a forfeiture on any member insurer which fails to pay an  
620 assessment when due. Such forfeiture shall not exceed five per cent of  
621 the unpaid assessment per month, but no forfeiture shall be less than  
622 [one] five hundred dollars per month.

623 Sec. 40. Section 38a-885 of the general statutes is repealed and the  
624 following is substituted in lieu thereof (*Effective October 1, 2005*):

625 Any person filing with the department any notice, statement or  
626 other document required under the provisions of section 38a-884 [,]  
627 which is false or untrue or contains any material misstatement of fact  
628 shall be fined not less than [two] three hundred dollars.

629 Sec. 41. Subsection (d) of section 38a-908 of the general statutes is  
630 repealed and the following is substituted in lieu thereof (*Effective*  
631 *October 1, 2005*):

632 (d) Any person included within subsection (a) of this section who  
633 fails to cooperate with the commissioner, or any person who obstructs  
634 or interferes with the commissioner in the conduct of any delinquency  
635 proceeding or any investigation preliminary or incidental thereto, or  
636 who violates any order the commissioner issued validly under sections  
637 38a-903 to 38a-961, inclusive, as amended by this act, may: (1) Be  
638 sentenced to pay a fine not exceeding ten thousand dollars or to  
639 undergo imprisonment for a term of not more than one year, or both,  
640 or (2) after a hearing, be subject to the imposition by the commissioner,  
641 of a civil penalty not to exceed [ten] twenty-five thousand dollars and  
642 shall be subject further to the revocation or suspension of any  
643 insurance licenses issued by the commissioner.

644 Sec. 42. Subsection (b) of section 38a-925 of the general statutes is  
645 repealed and the following is substituted in lieu thereof (*Effective*  
646 *October 1, 2005*):

647 (b) Any agent failing to give notice or file a report of compliance as  
648 required in subsection (a) of this section may be subject to payment of  
649 a penalty of not more than [one thousand] two thousand five hundred

650 dollars and may have his license suspended, said penalty to be  
651 imposed after a hearing held by the commissioner.

652 Sec. 43. Subsection (b) of section 38a-935 of the general statutes is  
653 repealed and the following is substituted in lieu thereof (*Effective*  
654 *October 1, 2005*):

655 (b) Upon satisfactory evidence of a violation of this section, by a  
656 person other than an insured, the commissioner may pursue either one  
657 or both of the following courses of action: (1) Suspend or revoke or  
658 refuse to renew the licenses of such offending party or parties; (2)  
659 impose a penalty of not more than [one thousand] two thousand five  
660 hundred dollars for each and every act in violation of this section by  
661 said party or parties.

662 Sec. 44. Section 38a-997 of the general statutes is repealed and the  
663 following is substituted in lieu thereof (*Effective October 1, 2005*):

664 Any person who knowingly and wilfully obtains information  
665 concerning an individual from an insurance institution, agent or  
666 insurance-support organization under false pretenses shall be fined not  
667 more than [ten] twenty thousand dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2005</i>	38a-2
Sec. 2	<i>October 1, 2005</i>	38a-41(c)
Sec. 3	<i>October 1, 2005</i>	38a-48(h)
Sec. 4	<i>October 1, 2005</i>	38a-53(d)
Sec. 5	<i>October 1, 2005</i>	38a-90f(a)
Sec. 6	<i>October 1, 2005</i>	38a-140(c) to (f)
Sec. 7	<i>October 1, 2005</i>	38a-164(b)
Sec. 8	<i>October 1, 2005</i>	38a-226b
Sec. 9	<i>October 1, 2005</i>	38a-226c(d)
Sec. 10	<i>October 1, 2005</i>	38a-277(e)
Sec. 11	<i>October 1, 2005</i>	38a-278
Sec. 12	<i>October 1, 2005</i>	38a-287
Sec. 13	<i>October 1, 2005</i>	38a-306

Sec. 14	October 1, 2005	38a-464
Sec. 15	October 1, 2005	38a-506
Sec. 16	October 1, 2005	38a-537(a)
Sec. 17	October 1, 2005	38a-548
Sec. 18	October 1, 2005	38a-588
Sec. 19	October 1, 2005	38a-626
Sec. 20	October 1, 2005	38a-658
Sec. 21	October 1, 2005	38a-680
Sec. 22	October 1, 2005	38a-703
Sec. 23	October 1, 2005	38a-704
Sec. 24	October 1, 2005	38a-713
Sec. 25	October 1, 2005	38a-725
Sec. 26	October 1, 2005	38a-733
Sec. 27	October 1, 2005	38a-735
Sec. 28	October 1, 2005	38a-764(b)
Sec. 29	October 1, 2005	38a-773
Sec. 30	October 1, 2005	38a-774(a)
Sec. 31	October 1, 2005	38a-777
Sec. 32	October 1, 2005	38a-786(c)
Sec. 33	October 1, 2005	38a-790(b)
Sec. 34	October 1, 2005	38a-792(c)
Sec. 35	October 1, 2005	38a-817
Sec. 36	October 1, 2005	38a-826
Sec. 37	October 1, 2005	38a-830
Sec. 38	October 1, 2005	38a-843(2)
Sec. 39	October 1, 2005	38a-868(b)
Sec. 40	October 1, 2005	38a-885
Sec. 41	October 1, 2005	38a-908(d)
Sec. 42	October 1, 2005	38a-925(b)
Sec. 43	October 1, 2005	38a-935(b)
Sec. 44	October 1, 2005	38a-997

**INS**      *Joint Favorable C/R*

FIN

**FIN**      *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:

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 06 \$</b>	<b>FY 07 \$</b>
Insurance Dept.	GF - Revenue Gain	Significant	Significant

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill increases various fines and penalties for violations of insurance laws. In FY 04, the Department of Insurance (DOI) collected \$1,101,811 in fines and penalties. Although it is uncertain as to which violations will occur in FY 06 and FY 07, it is estimated that the bill could result in additional revenue of up to \$4 million.

**OLR Bill Analysis**

SB 998

**AN ACT CONCERNING FINES LEVIED BY THE INSURANCE COMMISSIONER****SUMMARY:**

This bill increases fines the insurance commissioner can assess insurance companies, related companies, and people for violating Connecticut's insurance laws, including those related to utilization review, unauthorized insurers, producer and company licensing, unfair and prohibited practices, and fraud. The bill leaves unchanged fines enacted since 1996, which include those related to privacy, preferred provider networks, and self-insured workers' compensation laws.

EFFECTIVE DATE: October 1, 2005

**INSURANCE FINES INCREASED**

<i>Section</i>	<i>Description</i>	<i>Current Fine</i>	<i>SB 998 Fine</i>
Sec. 1	General penalty - Violation of any Title 38a provision when no other penalty is provided	Up to \$7,500	Up to \$15,000
Sec. 2	Company license suspension, revocation, or non-renewal for cause (Fine is in addition to or in lieu of license action.)	Up to \$10,000	Up to \$50,000
Sec. 3	Assessments on domestic insurers - Not paying assessment when due	\$10 plus 6% per annum interest	\$25 plus 6% per annum interest

Sec. 4	Annual and quarterly financial reports of insurers and HMOs - Filing late	\$100 per day for each day overdue	\$150 per day for each day overdue
Sec. 5	Managing General Agents Act - Violating the act (Fine is in addition to license revocation or suspension.)	\$10,000 for each violation	\$15,000 for each violation
Sec. 6	Insurance Holding Company Act - An individual's willful violation of the act	Up to \$3,000  If intentional fraud: fine, up to 2 years in prison, or both	Up to \$15,000  If intentional fraud: fine, up to 2 years in prison, or both
Sec. 6	Insurance Holding Company Act - An insurance company's willful violation of the act	Up to \$10,000	Up to \$50,000
Sec. 6	Insurance Holding Company Act - Willfully and knowingly making a false statement or report to deceive the commissioner	Up to \$25,000, up to 5 years in prison, or both	Up to \$50,000, up to 5 years in prison, or both
Sec. 6	Insurance Holding Company Act - An insurance company, without just cause, does not file a required registration statement	\$100 each day, up to \$10,000 maximum	\$150 each day, up to \$15,000 maximum
Sec. 6	Insurance Holding Company Act - A director or officer willfully violates act or agrees to engage in transactions or investments not properly	Up to \$5,000 for each violation	Up to \$7,500 for each violation

	reported or permitted		
Sec. 7	Insurance Premium Finance Companies - Violating act (Fine is in addition to or in lieu of license suspension or revocation.)	Up to \$1,000	Up to \$5,000
Sec. 8	Utilization Review - Violating the UR law (Fine is in addition to license suspension or revocation.)  Fine increases if company knew or should have known of violation.	Up to \$1,000 for each violation, to \$10,000 maximum  Up to \$5,000 for each violation, to \$50,000 maximum in any 6-month period	Up to \$1,500 for each violation, to \$15,000 maximum  Up to \$7,500 for each violation, to \$75,000 maximum in any 6-month period
Sec. 8	Utilization Review - Violating the commissioner's cease and desist order (Fine is in lieu of license suspension or revocation.)	Up to \$50,000	Up to \$75,000
Sec. 9	Utilization Review - Providing fraudulent or misleading information to a UR company (The penalty is the fine or the value of services provided as a result of the fraud.)	Up to \$5,000	Up to \$7,500
Sec. 10	Unauthorized Insurers Act - Not paying premium tax on time	10% of tax or \$50, if greater, plus 1% interest per month	10% of tax or \$75, if greater, plus 1% interest per

			month
Sec. 11	Unauthorized Insurers Act - Any unauthorized insurer doing insurance business	Up to \$10,000	Up to \$50,000
Sec. 11	Unauthorized Insurers Act - Violating the act	\$500 for first offense and \$500 for each month it continues	\$2,500 for first offense and \$2,500 for each month it continues
Sec. 12	Defrauding a life or accident insurance company	If sum obtained is \$100 or more: up to \$500, up to 1 year in prison, or both	If sum obtained is \$2,000 or more: up to \$10,000, up to 1 year in prison, or both
Sec. 13	Standard Form of Fire Insurance Policy - Making, issuing, or delivering a fire insurance policy that is not the statutorily required standard policy	Up to \$200	Up to \$1,000
Sec. 14	Burial Contracts - Issuing burial contracts without a license or without the required provisions	Up to \$500, up to 1 year in prison, or both	Up to \$6,000, up to 1 year in prison, or both
Sec. 15	Individual Health Insurance - Delivering an individual policy that does not meet statutory requirements	Up to \$500 for each offense	Up to \$10,000 for each offense
Sec. 16	Group Health Insurance - Failure to give an insured	Up to \$1,000	Up to \$2,000

	a notice of insurance cancellation or discontinuance		
Sec. 17	Group Health Insurance - Delivering a group policy that does not meet statutory requirements	Up to \$500 for each offense	Up to \$1,000 for each offense
Sec. 18	Consumer Dental Plans - Not complying with statutory requirements	Up to \$1,000 for each violation	Up to \$1,500 for each violation
Sec. 19	Fraternal Benefit Societies - Making a false or fraudulent statement on a membership application	At least \$100, up to \$500 maximum, prison from 30 days to 1 year, or both	At least \$2,000, up to \$10,000, prison from 30 days to 1 year, or both
Sec. 19	Fraternal Benefit Societies - Soliciting membership for unlicensed fraternal benefit society	At least \$50, up to \$200 maximum	At least \$1,000, up to \$4,000 maximum
Sec. 19	Fraternal Benefit Societies - Willfully violating, neglecting, or refusing to comply with fraternal benefit society statutes when no other penalty exists	Up to \$200	Up to \$4,000
Sec. 20	Credit Life, Accident and Health Insurance - Violating statutory requirements	Up to \$250, 2 years in prison, or both	Up to \$1,500, 2 years in prison, or both
Sec. 21	Personal and Commercial Risk Insurance Rating Practices - Not complying with the commissioner's	Up to \$1,000, or if willful, up to \$10,000, up to 1 year in	Up to \$2,000, or if willful, up to \$20,000, up to 1 year in

	final order	prison, or both	prison, or both
Sec. 22	Soliciting business for unlicensed insurance company	Up to \$100, up to 6 months in prison, or both	Up to \$2,000, up to 6 months in prison, or both
Sec. 23	Insurance Producers and Agents - Acting without a license	Up to \$500, up to 3 months in prison, or both	Up to \$10,000, up to 3 months in prison, or both
Sec. 24	Signing or countersigning insurance policies in blank by an insurance producer (Fine is in addition to license revocation.)	Up to \$100	Up to \$1,000
Sec. 25	Public Adjusters - Acting as a public adjuster without a license	Up to \$500, up to 3 months in prison, or both	Up to \$10,000, up to 3 months in prison, or both
Sec. 26	Certified Insurance Consultants - Not giving the required acknowledgement of and receipt for services provided	At least \$50, up to \$500 maximum	At least \$250, up to \$2,500 maximum
Sec. 27	Certified Insurance Consultants - Acting as certified insurance consultant without a license	At least \$50, up to \$500 maximum, up to 6 months in prison, or both	At least \$250, up to \$2,500 maximum, up to 6 months in prison, or both
Sec. 28	Fraternal Agents - Acting as fraternal agent without a license	Up to \$100	Up to \$10,000
Sec. 29	Licensing In General - Impersonating another	Up to \$500, up to 6 months in	Up to \$4,000, up to 6

	person when taking an insurance license examination	prison, or both	months in prison, or both
Sec. 30	Licensing In General - For cause (Fine is in addition to or in lieu of license suspension or revocation.)	Up to \$1,000	Up to \$5,000
Sec. 31	Surplus Lines Broker - Not making and filing required affidavit or willfully making a false affidavit	Up to \$500, up to 6 months in prison, or both	Up to \$4,000, up to 6 months in prison, or both
Sec. 32	Certified Insurance Consultants - Not giving commissioner requested information within 10 days	At least \$50, up to \$500 maximum	At least \$250, up to \$2,500 maximum
Sec. 33	Motor Vehicle Physical Damage Appraisers - Acting without a license	Up to \$500, up to 1 year in prison, or both	Up to \$2,500, up to 1 year in prison, or both
Sec. 34	Casualty Claim Adjusters - Acting without a license	Up to \$200, up to 1 year in prison, or both	Up to \$2,000, up to 1 year in prison, or both
Sec. 35	Unfair and Prohibited Practices - Committing an unfair or prohibited practice (Fine is in addition to or in lieu of license suspension or revocation and restitution.)	Up to \$1,000 for each violation, to \$10,000 maximum	Up to \$5,000 for each violation, up to \$50,000 maximum
Sec. 35	Unfair and Prohibited Practices - Knowingly committing an unfair or prohibited practice (Fine	Up to \$5,000 for each violation, to \$50,000 maximum in	Up to \$10,000 for each violation, up to \$100,000

	is in addition to or in lieu of license suspension, license revocation, and restitution.)	any 6-month period	maximum in any 6-month period
Sec. 35	Unfair and Prohibited Practices - Violating a cease and desist order (Fine is in addition to or in lieu of license suspension or revocation.)	Up to \$10,000 for each violation	Up to \$50,000 for each violation
Sec. 36	Unfair and Prohibited Practices - Any misrepresentation to convince an insured to surrender a policy and replace it with another	Up to \$500, up to 30 days in prison, or both	Up to \$5,000, up to 30 days in prison, or both
Sec. 37	Unfair and Prohibited Practices - Publishing a false statement of assets or one that does not meet statutory requirements	\$500 for the first offense, \$1,000 for each additional offense	\$10,000 for the first offense, \$20,000 for each additional offense
Sec. 38	Connecticut Insurance Guaranty Association - Not paying assessment (Fine is in lieu of license suspension or revocation.)	At least \$100 a month, up to 5% of the unpaid assessment per month	At least \$500 a month, up to 5% of the unpaid assessment per month
Sec. 39	Connecticut Life & Health Insurance Guaranty Association - Not paying assessment (Fine is in lieu of license suspension or revocation.)	At least \$100 a month, up to 5% of the unpaid assessment per month	At least \$500 a month, up to 5% of the unpaid assessment per month
Sec. 40	Brokered Transactions Guaranty Fund - Penalty	At least \$200	At least \$300

	for filing a false or untrue claim		
Sec. 41	Rehabilitation and Liquidation Act - Failure to cooperate with the commissioner	(a) Up to \$10,000, up to 1 year in prison, or both or (b) up to \$10,000 and license suspension or revocation	(a) Up to \$25,000, up to 1 year in prison, or both or (b) up to \$10,000 and license suspension or revocation
Sec. 42	Rehabilitation and Liquidation Act - Any agent not giving required notice of policies written for an insurer subject to liquidation or not filing a compliance report (Fine is in addition to or in lieu of license suspension or revocation.)	Up to \$1,000	Up to \$2,500
Sec. 43	Rehabilitation and Liquidation Act - Not paying collected premiums and unearned commissions to the liquidator (Fine is in addition to or in lieu of license suspension, revocation, or non-renewal.)	Up to \$1,000 for each violation	Up to \$2,500 for each violation
Sec. 44	Connecticut Insurance Information and Privacy Protection Act - Obtaining information about a person under false pretenses	Up to \$10,000	Up to \$20,000

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Change of Reference

Yea 15 Nay 0

Finance, Revenue and Bonding Committee

Joint Favorable Report

Yea 47 Nay 0