



Senate

General Assembly

File No. 230

January Session, 2005

Substitute Senate Bill No. 999

Senate, April 11, 2005

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 substitute bill ought to pass.

AN ACT CONCERNING CHANGES TO THE INSURANCE STATUTES.

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

1 Section 1. Subsection (e) of section 38a-53 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2005*):

4 (e) Each insurance company or health care center doing business in
5 this state shall include in all reports required to be filed with the
6 commissioner under this section a certification by an actuary or reserve
7 specialist of all reserve liabilities prepared in accordance with
8 regulations which shall be adopted by the commissioner in accordance
9 with chapter 54. The regulations shall: (1) Specify the contents and
10 scope of the certification; (2) provide for the availability to the
11 commissioner of the workpapers of the actuary or loss reserve
12 specialist; [and] (3) provide for exemptions to the companies or centers
13 from compliance with the requirements of this subsection; and (4)
14 include provisions concerning the confidentiality of documents.

15 Sec. 2. Subdivision (20) of section 38a-816 of the general statutes is
16 repealed and the following is substituted in lieu thereof (*Effective*
17 *October 1, 2005*):

18 (20) Any violation of [subsection (a) of section 38a-11 and] sections
19 38a-465 to 38a-465m, inclusive.

20 Sec. 3. Subdivision (6) of section 38a-838 of the general statutes is
21 repealed and the following is substituted in lieu thereof (*Effective*
22 *October 1, 2005*):

23 (6) "Insolvent insurer" means an insurer (A) licensed to transact
24 insurance in this state either at the time the policy was issued or when
25 the insured event occurred, and (B) determined to be insolvent by a
26 court of competent jurisdiction, provided the term "insolvent insurer"
27 shall (i) not be construed to mean any insurer with respect to which an
28 order, decree, judgment or finding of insolvency, whether permanent
29 or temporary in nature, or order of rehabilitation or conservation has
30 been issued by a court of competent jurisdiction prior to October 1,
31 1971, and (ii) include the legal successor of the [insolvent] insurer in
32 the event of the merger of the insolvent insurer.

33 Sec. 4. Section 38a-339 of the general statutes is repealed and the
34 following is substituted in lieu thereof (*Effective October 1, 2005*):

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

40 [(b) Each insurer which issues an automobile insurance policy in
41 this state that provides comprehensive coverage shall provide the
42 insured with a written notice of the availability of the coverage
43 described in subsection (a) of this section.]

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2005</i>	38a-53(e)
Sec. 2	<i>October 1, 2005</i>	38a-816(20)
Sec. 3	<i>October 1, 2005</i>	38a-838(6)
Sec. 4	<i>October 1, 2005</i>	38a-339

INS *Joint Favorable Subst.*

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-Effect	FY 06 \$	FY 07 \$
Insurance Dept.	GF - Revenue Loss	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill removes from the list of unfair and deceptive insurance practices nonpayment of mandatory fees to the Insurance Commissioner. Under the Connecticut Unfair Insurance Practices Act (CUIPA) a person in violation of one of its provisions is subject to various monetary penalties. Therefore, the bill could result in a revenue loss to the state.

OLR Bill Analysis

sSB 999

AN ACT CONCERNING CHANGES TO THE INSURANCE STATUTES**SUMMARY:**

This bill does three things. It removes from the list of unfair and deceptive insurance practices nonpayment of mandatory fees to the insurance commissioner. This means that a person's or insurance company's failure to pay any of the required fees will no longer be subject to the unfair practice penalties, which include fines and license suspension or revocation. The bill does not affect any other penalty allowed by law for not paying fees or paying them late.

Next, the bill eliminates the requirement that an insurer provide people covered under an automobile insurance policy written notice of the availability of full glass repair or replacement coverage. By law, each automobile insurance policy must include such coverage at the insured's request.

Third, the bill requires the insurance commissioner's regulations on financial statement reserve liability certifications to include confidentiality provisions. By law, insurers must file financial statements annually by March 1, or more frequently if required by the commissioner. A filing must include an actuarial or reserve specialist's certification of reserve liabilities in accordance with adopted regulations. (Reserve liability is the amount of funds an insurance company needs to set aside to pay its future financial obligations, including claims.)

EFFECTIVE DATE: October 1, 2005

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 16 Nay 0

