



General Assembly

Substitute Bill No. 435

January Session, 2005

* SB00435INS 032405 *

**AN ACT CONCERNING SERVICES PROVIDED BY INSURANCE
PRODUCERS AND HEALTH INSURERS.**

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

1 Section 1. Section 38a-825 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2005*):

3 (a) No insurance company doing business in this state, or attorney,
4 producer or any other person shall pay or allow, or offer to pay or
5 allow, as inducement to insurance, any rebate of premium payable on
6 the insurance policy, or any special favor or advantage in the
7 dividends or other benefits to accrue thereon, or any valuable
8 consideration or inducement not specified in the [policy of] insurance
9 policy. No person shall receive or accept from any company, or
10 attorney, producer or any other person, as inducement to insurance,
11 any such rebate of premium payable on the insurance policy, or any
12 special favor or advantage in the dividends or other benefit to accrue
13 thereon, or any valuable consideration or inducement not specified in
14 the insurance policy. [of insurance.] No person shall be excused from
15 testifying or from producing any books, papers, contracts, agreements
16 or documents, at the trial of any other person charged with the
17 violation of any provision of this section or of section 38a-446, on the
18 ground that such testimony or evidence may tend to incriminate [him]
19 the person, but no person shall be prosecuted for any act concerning

20 which [he] the person is compelled to so testify or produce
21 documentary or other evidence, except for perjury committed in so
22 testifying.

23 (b) Nothing in subsection (a) of this section shall prohibit the offer
24 or provision of a value added service, activity or product without a fee,
25 or at a reduced fee, that is related to the coverage provided by an
26 insurance policy or annuity contract, if the offer or provision of such
27 value added service, activity, or product does not violate any other
28 provision of this title and is: (1) Clearly identified and included in the
29 insurance policy, contract or producer agreement; or (2) (A) directly
30 related to the producer's services with respect to the insurance policy,
31 contract, or producer agreement, or (B) offered or undertaken to
32 provide risk management tools for the benefit of the person covered by
33 the policy, contract or producer agreement.

34 (c) The Insurance Commissioner shall adopt regulations, in
35 accordance with chapter 54, to define the value added services,
36 activities or products allowed under subsection (b) of this section. Such
37 services, activities or products may include: (1) Risk assessments, (2)
38 risk management tools, (3) claims assistance, (4) legislative updates,
39 and (5) administration consulting.

40 (d) Nothing in subsection (a) of this section shall prohibit the offer
41 or provision of discounts or special offers on health related products or
42 services not otherwise covered under a health insurance policy or
43 contract that are designed to benefit individuals covered by the health
44 insurance policy or contract.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2005	38a-825

INS *Joint Favorable Subst.*