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March 16, 2007

Re: Statement in Opposition to HB No. 6065 an Act Concerning Unfair Claim Settlement Practices Under the Connecticut Unfair Insurance Practices Act

Dear Senator McDonald, Representative Lawlor and Members of the Committee:

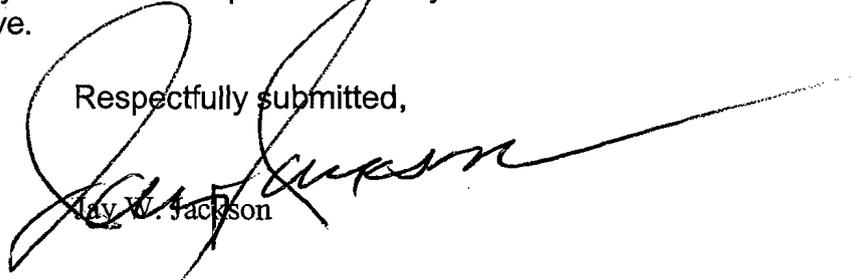
This statement is being given on behalf of the Property Casualty Insurers Association of America (PCI) which is a nonprofit trade association representing more than 1000 property casualty insurers nationwide. PCI member companies doing business in Connecticut write about 58% of the state's personal auto insurance premiums.

PCI has traditionally supported Unfair Claims Acts that strike a balance between consumer protection and avoiding excessive regulation. This proposed bill does not strike this balance. Therefore PCI and its member companies are strongly opposed to House Bill 6065. This bill is more chilling than most recent proposals before this general assembly concerning insurance. Making a "single act" an "unfair practice" under the Unfair Insurance Practices Act would be intolerable. "A single act" by a low level clerk or other employee would subject a company to the full impact of the Unfair Insurance Practices Act. Even if the action taken was a not a clerical error, there may be valid and adequate reasons and justification for the action taken. You should not take away the insurance commissioner's ability to make an informed judgment as to whether there has been a pattern of unfair insurance practices which warrants disciplinary action.

If the proponents of this legislation want to severely harm insurance consumers and the insurance industry in the State of Connecticut, the enactment of House Bill No. 6065 accomplishes their purpose. Not only will consumers have to pay higher premiums but insurers will also be adversely effected without any benefit to the general public. Sufficient safeguards and penalties are already in place. PCI companies have contributed to insuring that availability and affordability are not problems in Connecticut. They want to continue to so.

The consequences of this anti-consumer anti-insurance punitive legislation are serious. Therefore, on behalf of PCI and its member companies, I respectfully request that reject this patently unfair attempt to modify the Unfair Insurance Practices Act. There are adequate remedies at present for any violation of the act, I would be happy to answer an questions that you or members of the committee may have.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read 'Jay W. Jackson', written over the typed name.

Jay W. Jackson

JWJ/mas