

CONNECTICUT
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Raised Bill 1244

Public Hearing: 2-28-07

TO: MEMBERS OF THE JUDICIARY COMMITTEE
FROM: CONNECTICUT TRIAL LAWYERS ASSOCIATION (CTLA)
DATE: FEBRUARY 28, 2007

**RE: SUPPORT FOR RAISED BILL 1244 – AN ACT REQUIRING DISCLOSURE OF
LIABILITY INSURANCE POLICY LIMITS PRIOR TO THE FILING OF A CLAIM**

The CTLA **supports raised bill 1244**, and respectfully contends that the bill should be approved.

This bill requires a tortfeasor's automobile insurance company to disclose the amount of automobile liability insurance coverage available to the tortfeasor, if the injured person or his/her attorney makes a written request for such information.

In Connecticut, insurance companies are already required to disclose insurance coverage when an injured person files a lawsuit against the wrongdoer. HB 7063 simply requires disclosure earlier in the process (upon written request) so that some cases can be settled before lawsuits need to be filed.

This bill is modeled after the law of our neighboring states: Massachusetts, Rhode Island and Vermont (copies of statutes attached).

HB 7063 will facilitate earlier settlements of legal claims in the following cases: 1) if the tortfeasor only has a small amount of insurance coverage (e.g. \$20,000 auto liability coverage), then it is helpful that a seriously injured person with say, \$100,000 in damages, knows this information early on in the process – because this is the type of case that could very well be settled before a lawsuit must be filed; 2) if there are numerous injured victims and the one wrongdoer only has a small amount of liability coverage, then it would be helpful for the injured people to know the amount of available liability insurance coverage early on in the process, so again, that meaningful settlement discussions can take place among all of the parties before the injured people need to file lawsuits.

The opponents to this proposal argue that requiring the disclosure of insurance coverage to the injured person's attorney will automatically encourage the attorney to increase the settlement demand if the wrongdoer's coverage is high. This argument falls flat because there is no benefit in an attorney making an unreasonably high settlement demand, because then the case won't settle pre-suit and the attorney will have to file the lawsuit nevertheless.

WE RESPECTFULLY URGE YOU TO SUPPORT RAISED BILL 1244. Thank you.

MA ST 175 S 112C
M.G.L.A. 175 § 112C

MASSACHUSETTS GENERAL LAWS ANNOTATED
PART I. ADMINISTRATION OF THE GOVERNMENT
TITLE XXII. CORPORATIONS
CHAPTER 175. INSURANCE
LIABILITY INSURANCE

+++ CURRENT VERSION +++
VIEW ALL VERSIONS

§ 112C. Disclosure of coverage limits to claimants; penalty

Any insurer doing business in the commonwealth shall reveal to an injured party making claim against an insured, the amount of the limits of said insured's liability coverage, upon receiving a request in writing for such information from the injured party or his attorney. A reply shall be made within thirty days of receiving such request. Any insurer who fails to comply with the provisions of this section shall be liable to pay to the claimant the sum of five hundred dollars plus reasonable attorneys' fees and expenses incurred in obtaining the coverage information provided for herein.

CREDIT(S)

1998 Main Volume

Added by St.1991, c. 498. Renumbered by St.1992, c. 286, § 229.

<General Materials (GM) - References, Annotations, or Tables>

HISTORICAL AND STATUTORY NOTES

1998 Main Volume

St.1991, c. 498, was approved Dec. 31, 1991.

St.1992, c. 286, § 229, an emergency act, approved Dec. 23, 1992, renumbered this section from § 112A of this chapter.

LIBRARY REFERENCES

1998 Main Volume

Insurance k3355.
WESTLAW Topic No. 217.

M.G.L.A. 175 § 112C

MA ST 175 § 112C

END OF DOCUMENT

RI ST S 27-7-5
Gen.Laws 1956, § 27-7-5

GENERAL LAWS OF RHODE ISLAND ANNOTATED, 1956
TITLE 27. INSURANCE
CHAPTER 7. LIABILITY INSURANCE

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27-7-5 Information to injured party.

Any insurance company doing business in this state shall reveal to an injured party making a claim against an insured the amount of the limits of liability coverage upon receiving a request in writing for that information from the injured party or his or her attorney. A reply shall be made within fourteen (14) days of receiving the request.

History of Section.

P.L. 1989, ch. 215, § 1.

Gen. Laws, 1956, § 27-7-5

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REENACTMENT OF 1998

RI ST § 27-7-5

END OF DOCUMENT

VERMONT STATUTES ANNOTATED
TITLE TWENTY-THREE. Motor Vehicles
CHAPTER 11. Financial Responsibility and Insurance
SUBCHAPTER 5. Insurance Against Uninsured, Underinsured or Unknown Motorists

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§ 941 Insurance against uninsured motorists

(a) No policy insuring against liability arising out of the ownership, maintenance or use of any motor vehicle may be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein, or supplemental thereto, for the protection of persons insured thereunder who are legally entitled to recover damages, from owners or operators of uninsured, underinsured or hit-and-run motor vehicles, for bodily injury, sickness or disease, including death, and for property damages resulting from the ownership, maintenance or use of such uninsured, underinsured or hit-and-run motor vehicle. The coverage for property damages shall be sufficient to indemnify a claim for damages to which the claimant is legally entitled of no more than \$10,000.00 per claim, subject to a \$150.00 deductible; provided, however, to the extent that other direct damage coverage is valid and collectible:

(1) this deductible shall not apply to a claimant who is otherwise insured for direct damages to his or her motor vehicle, in which case:

(A) the coverage for property damages provided in this section shall be applied, without deductible, to pay the deductible of the other direct damage coverage; and

(B) the balance of the direct damage claim, if any, shall be covered by such other direct damages coverage to the extent of its limits;

(2) further, any other claim for property damages, not direct damages, to which the claimant is legally entitled, shall be paid by the coverage required by this section, without deductible, to the extent of the limits herein provided.

(b) Every policy insuring against liability arising out of the ownership, maintenance or use of any motor vehicle shall provide insurance against loss resulting from the liability imposed by law for damages because of bodily injury or death of any person within this state or elsewhere in the United States and Canada.

(c) The coverages under subsections (a) and (b) of this section for new or renewed policies shall be not less than \$50,000.00 for one person and \$100,000.00 for two or more persons killed or injured. If the limits of liability coverage in the policy are greater than \$50,000.00 for one person and \$100,000.00 for two or more persons injured or killed, the limits of uninsured motorist insurance shall be the same, unless the policyholder otherwise directs.

(d) For the purpose of this subchapter an "uninsured motor vehicle" includes an insured other motor vehicle where:

(1) The liability insurer of the other motor vehicle is unable, because of its insolvency, to make payment with respect to the legal liability of its insured within the limits specified in its policy; and

(2) The occurrence out of which the legal liability arose took place while the uninsured vehicle coverage required under subsection (a) of this section was in effect; and



(3) The insolvency of the liability insurer of the other motor vehicle existed at the time of, or within one year after, the occurrence.

(e) If payment is made under uninsured motorist coverage, and subject to the terms of that coverage, to the extent of that payment, the insurer is entitled to the proceeds of any settlement or recovery from any person legally responsible for the damage or personal injury, as to which the payment was made, and to amounts recoverable from the assets of an insolvent insurer of such person. However, if the injured party settles or recovers against any person, any reimbursement due to an insurer under this section shall be reduced by deducting a fair portion of all reasonable expenses of recovery incurred in effecting the settlement or recovery. The expenses of recovery shall be apportioned between the parties as their interests appear at the time of the settlement or recovery.

(f) For the purpose of this subchapter, a motor vehicle is underinsured to the extent that its personal injury limits of liability at the time of an accident are less than the limits of uninsured motorists coverage applicable to any injured party legally entitled to recover damages under said uninsured motorist coverage.

 (g) Within 30 days of receipt of a written request by a person legally entitled to recover damages from owners or operators of motor vehicles for bodily injury, sickness or disease, including death, or for property damages resulting from the ownership, maintenance or use of a motor vehicle, an insurer that may be liable to satisfy part or all of the claim under a policy subject to this chapter shall provide a statement, by a duly authorized agent of the insurer, setting forth the names of the insurer and insured, and the limits of liability coverage.

1967, No. 374 (Adj. Sess.), § 1; amended 1979, No. 194 (Adj. Sess.), § 2, eff. Jan. 1, 1981; 1983, No. 61, § 3; 1985, No. 77, § 3; 1997, No. 117 (Adj. Sess.), §§ 35, 37, eff. Jan. 1, 1999.

< General Materials (GM) - References, Annotations, or Tables >

NOTES, REFERENCES, AND ANNOTATIONS

History

Amendments-- 1997 (Adj. Sess.). Rewrote subsec. (c); in subsec. (e), substituted "an insolvent insurer of such person" for "the insolvent insurer of the other motor vehicle" at the end of the first sentence and added the last two sentences; and added subsec. (g).

-- 1985. Subsection (a): Amended generally.

-- 1983. Subsection (c): Amended generally.

-- 1979 (Adj. Sess.). Subsection (a): Inserted "underinsured" preceding "or hit-and-run" in two places.

Subsection (c): Substituted "section 801 of this title" for "23 V.S.A. § 801" following "provisions of".

Subsection (d): Substituted "subchapter" for "act" following "purpose of" in the introductory paragraph.

Subsection (f): Added.

Annotations

Amount of recovery, 3

Arbitration, 8

Construction, 1

Insurer's duty to inform, 10