



Senate

General Assembly

File No. 374

February Session, 2008

Substitute Senate Bill No. 492

Senate, April 1, 2008

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 MAKING TECHNICAL REVISIONS AND MINOR CHANGES TO THE INSURANCE STATUTES.

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

1 Section 1. Subsection (a) of section 38a-363 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 As used in sections 38a-17, 38a-19 of the 2008 supplement to the
5 general statutes and 38a-363 to 38a-388, inclusive, as amended by this
6 act:

7 (a) "Injury" means bodily injury, sickness or disease, including death
8 resulting therefrom, accidentally caused and arising out of the
9 ownership, maintenance or use of a private passenger motor vehicle or
10 a vehicle with a commercial registration, as defined in subdivision (14)
11 of [subsection (a) of] section 14-1 of the 2008 supplement to the general
12 statutes.

13 Sec. 2. Subsection (b) of section 38a-476 of the 2008 supplement to
14 the general statutes is repealed and the following is substituted in lieu
15 thereof (*Effective from passage*):

16 (b) (1) No group health insurance plan or insurance arrangement
17 [may] shall impose a preexisting conditions provision [which] that
18 excludes coverage for a period beyond twelve months following the
19 insured's effective date of coverage. Any preexisting conditions
20 provision [may] shall only relate to conditions, whether physical or
21 mental, for which medical advice, diagnosis or care or treatment was
22 recommended or received during the six months immediately
23 preceding the effective date of coverage.

24 (2) No individual health insurance plan or insurance arrangement
25 [may] shall impose a preexisting conditions provision [which] that
26 excludes coverage beyond twelve months following the insured's
27 effective date of coverage. Any preexisting conditions provision [may]
28 shall only relate to conditions, whether physical or mental, for which
29 medical advice, diagnosis or care or treatment was recommended or
30 received during the twelve months immediately preceding the
31 effective date of coverage.

32 Sec. 3. Subparagraph (A) of subdivision (4) of section 38a-564 of the
33 2008 supplement to the general statutes is repealed and the following
34 is substituted in lieu thereof (*Effective from passage*):

35 (4) (A) "Small employer" means any person, firm, corporation,
36 limited liability company, partnership or association actively engaged
37 in business or self-employed for at least three consecutive months
38 who, on at least fifty per cent of its working days during the preceding
39 twelve months, employed no more than fifty eligible employees, the
40 majority of whom were employed within the state of Connecticut.
41 "Small employer" includes a self-employed individual. In determining
42 the number of eligible employees, companies which are affiliated
43 companies, as defined in section 33-840, or which are eligible to file a
44 combined tax return for purposes of taxation under chapter 208 shall
45 be considered one employer. Eligible employees shall not include

46 employees covered through the employer by health insurance plans or
47 insurance arrangements issued to or in accordance with a trust
48 established pursuant to collective bargaining subject to the federal
49 Labor Management Relations Act. Except as otherwise specifically
50 provided, provisions of sections 12-201, 12-211, 12-212a and 38a-564 to
51 38a-572, inclusive, [which] as amended by this act, that apply to a
52 small employer shall continue to apply until the plan anniversary
53 following the date the employer no longer meets the requirements of
54 this definition.

55 Sec. 4. Section 38a-982 of the general statutes is repealed and the
56 following is substituted in lieu thereof (*Effective from passage*):

57 (a) No insurance institution, agent or insurance-support
58 organization [may] shall prepare or request an investigative consumer
59 report pertaining to an individual in connection with an insurance
60 transaction involving an application for insurance, a policy renewal,
61 reinstatement or a change in insurance benefits unless the insurance
62 institution or agent informs the individual that: (1) [That he] The
63 individual may request to be interviewed in connection with the
64 preparation of the investigative consumer report and (2) [that] upon
65 request pursuant to section 38a-983, [he] the individual is entitled to
66 receive a copy of the investigative consumer report.

67 (b) If an investigative consumer report is to be prepared by an
68 insurance institution or agent, the institution or agent shall establish
69 reasonable procedures pertaining to the conduct of a personal
70 interview requested by an individual.

71 (c) If an investigative consumer report is to be prepared by an
72 insurance-support organization, the institution or agent desiring such
73 report shall inform the insurance-support organization whether a
74 personal interview has been requested by the individual. The
75 insurance-support organization shall establish reasonable procedures
76 pertaining to the conduct of such interviews, if requested.

77 Sec. 5. Section 38a-984 of the general statutes is repealed and the

78 following is substituted in lieu thereof (*Effective from passage*):

79 (a) [Within] Not later than thirty business days from the date of
80 receipt of a written request from an individual to correct, amend or
81 delete any recorded personal information concerning [him] the
82 individual within its possession, an insurance institution, agent or
83 insurance-support organization shall: [either:] (1) Correct, amend or
84 delete the portion of the recorded personal information in dispute; or
85 (2) notify the individual of: (A) Its refusal to make such correction,
86 amendment or deletion; (B) the reasons for the refusal, and (C) [his] the
87 individual's right to file a statement as provided in subsection (c) of
88 this section.

89 (b) If the insurance institution, agent or insurance-support
90 organization corrects, amends or deletes recorded personal
91 information in accordance with subdivision (1) of subsection (a) of this
92 section, it shall so notify the individual in writing and furnish the
93 correction, amendment or fact of deletion to: (1) Any person
94 specifically designated by the individual who may have, within the
95 preceding two years, received such recorded personal information; (2)
96 any insurance-support organization whose primary source of personal
97 information is insurance institutions if such organization has
98 systematically received such information from the insurance
99 institution within the preceding seven years; provided that the
100 correction, amendment or deletion need not be furnished if the
101 organization no longer maintains the information about the individual;
102 and (3) any insurance-support organization that furnished the personal
103 information that has been corrected, amended or deleted.

104 (c) Whenever an individual disagrees with an institution's, agent's
105 or organization's refusal to correct, amend or delete recorded personal
106 information, the individual shall be permitted to file with the
107 institution, agent or organization: (1) A concise statement specifying
108 what the individual believes to be the correct, relevant or fair
109 information, and (2) a concise statement of the reasons the individual
110 disagrees with the institution's, agent's or organization's refusal to

111 correct, amend or delete recorded personal information.

112 (d) In the event an individual files either statement as described in
113 subsection (c) of this section, the insurance institution, agent or
114 support organization shall: (1) File the statement with the disputed
115 personal information and provide a means by which anyone reviewing
116 such information will be cognizant of the individual's statement and
117 have access to it, (2) in any subsequent disclosure by the institution,
118 agent or organization of the recorded personal information that is the
119 subject of disagreement, clearly identify the matter in dispute and
120 provide the individual's statement along with the information being
121 disclosed, and (3) furnish the statement to the persons in the manner
122 specified in subsection (b) of this section.

123 (e) The rights granted to individuals in this section shall extend to
124 all individuals to the extent information concerning [them] such
125 individuals is collected and maintained by an insurance institution,
126 agent or insurance-support organization in connection with an
127 insurance transaction, except with respect to information that relates to
128 and is collected in connection with or in reasonable anticipation of, a
129 claim or a civil or criminal proceeding involving [them] such
130 individuals.

131 (f) For purposes of this section, the term "insurance-support
132 organization" does not include "consumer reporting agency".

133 Sec. 6. Section 38a-986 of the general statutes is repealed and the
134 following is substituted in lieu thereof (*Effective from passage*):

135 No insurance institution, agent or insurance-support organization
136 [may] shall seek information in connection with an insurance
137 transaction concerning any previous adverse underwriting decisions
138 experienced by an individual, or any previous insurance coverage
139 obtained by an individual through a residual market mechanism,
140 unless such institution, agent or organization also requests the reasons
141 for any previous adverse underwriting decision or the reasons
142 insurance coverage was previously obtained through a residual market

143 mechanism.

144 Sec. 7. Section 38a-987 of the general statutes is repealed and the
145 following is substituted in lieu thereof (*Effective from passage*):

146 No insurance institution or agent [may] shall base an adverse
147 underwriting decision in whole or in part:

148 (1) On a previous adverse underwriting decision or on the fact that
149 an individual previously obtained insurance coverage through a
150 residual market mechanism, provided an insurance institution or
151 agent may base an adverse underwriting decision on further
152 information obtained from an insurance institution or agent
153 responsible for a previous adverse underwriting decision;

154 (2) On personal information received from an insurance-support
155 organization whose primary source of information is an insurance
156 institution, provided an insurance institution or agent may base an
157 adverse underwriting decision on further personal information
158 obtained as the result of information received from an insurance-
159 support organization.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	38a-363(a)
Sec. 2	<i>from passage</i>	38a-476(b)
Sec. 3	<i>from passage</i>	38a-564(4)(A)
Sec. 4	<i>from passage</i>	38a-982
Sec. 5	<i>from passage</i>	38a-984
Sec. 6	<i>from passage</i>	38a-986
Sec. 7	<i>from passage</i>	38a-987

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill makes technical revisions to insurance statutes and will not result in a fiscal impact to the Department of Insurance.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis

sSB 492

***AN ACT MAKING TECHNICAL REVISIONS AND MINOR CHANGES
TO THE INSURANCE STATUTES.***

SUMMARY:

This bill makes technical revisions in the insurance statutes.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 14 Nay 3 (03/13/2008)