

Statement

Insurance Association of Connecticut

Insurance and Real Estate Committee

February 10, 2009

SB 823, An Act Concerning Revisions To The Insurance Statutes

The Insurance Association of Connecticut (IAC) has some concerns with SB 823, An Act Concerning Revisions To The Insurance Statutes.

In sections 6, 8 and 10, SB 823 grants the Department broad authority to set additional unspecified requirements as a precondition for approval of various policy forms.

For the past several years, there has been countrywide effort to improve the “speed to market” of insurance products through improved policy form approval procedures so that insurers can get products to market to compete more efficiently, to the benefit of consumers. One constant in addressing that goal is the consistency and predictability of regulatory requirements.

Permitting the Department to require revisions to policy forms and related advertising and sales materials whenever it is determined that such revisions are required “for the protection of the policyholder” would appear to institutionalize the use of “desk-drawer rules” when reviewing filings. The filing insurer will not necessarily know, nor have any way to know, the state’s requirements when developing a product.

Sections 6, 8 and 10 could produce inconsistency and unpredictability in the review/approval process of insurance policy forms, which would only serve to slow down the process and make it more inefficient.