

Testimony of Kevin R. Hennessy
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Before the Insurance & Real Estate Committee
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Senator Crisco, Representative Fontana and members of the Insurance & Real Estate Committee, on behalf of the Connecticut Business & Industry Association ("CBIA") and its members, thank you for the opportunity to submit comments on **SB 894**, *An Act Requiring Disclosure of Automobile Liability Insurance Policy Limits Prior to the Filing of a Claim*.

CBIA opposes SB 894. First, it is an inequitable measure that will benefit plaintiffs while harming defendants. Second, it is unnecessary since insured motor vehicle drivers are already mandated to carry minimum insurance amounts. Finally, supplemental liability insurance is a private issue that affords no connection to the validity of a liability dispute.

Requiring the disclosure of automobile liability insurance policy limits prior to the filing of a claim is inequitable. Plaintiffs already drive our tort system. They hold all of the information concerning how an injury occurred and its level of severity. Defendants have no opportunity to review evidence regarding injury or potential damages prior to a lawsuit being filed. Allowing plaintiffs to access a defendant's automobile liability policy limit prior to filing a claim will increase the plaintiffs' advantage in the settlement process. Moreover, it will encourage plaintiffs to negotiate based on the policy amount, rather than in good faith.

Additionally, Connecticut's General Statutes already mandate minimum insurance amounts for motor vehicle operators. C.G.S. §14-112 states:

"...the commissioner shall require from such person proof of financial responsibility to satisfy any claim for damages by reason of personal injury to, or the death of, any one person, of twenty thousand dollars, or by reason of personal injury to, or the death of, more than one person on account of any accident, of at least forty thousand dollars, and for damage to property of at least ten thousand dollars." (emphasis added)

This means that plaintiff's lawyers already know that potential defendants carry minimum insurance amounts. Allowing them to access additional insurance information would give them an unnecessary advantage in negotiating settlements. It would elevate the baseline from which negotiations would start which would ultimately discourage defendants from settling these inflated claims.

Finally, maintaining additional automobile liability insurance is a private matter that provides no legal connection to the validity of a liability dispute. Forcing defendants to disclose private information before a claim is filed simply makes it easier for trial lawyers to decide how

large their clients' claims should be. The amount of insurance a person or entity carries is confidential and should have no influence on the actual value of a claim. Disclosing automobile policy limits before a claim is filed will inflate the value of claims and ultimately increase liability premium costs for everyone.

Thank you for the opportunity to voice CBIA's comments and concerns. For the aforementioned reasons, we urge you to reject SB 894, *An Act Requiring Disclosure of Automobile Liability Insurance Policy Limits Prior to the Filing of a Claim*.