

CONNECTICUT
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ASSOCIATION



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Raised Bill 895
Public Hearing: 2-17-09

895

TO: MEMBERS OF THE INSURANCE AND REAL ESTATE COMMITTEE
FROM: CONNECTICUT TRIAL LAWYERS ASSOCIATION (CTLA)
DATE: FEBRUARY 17, 2009

RE: SUPPORT SECTION 1 OF RAISED BILL 895 – AAC UNINSURED MOTORISTS AND
NOTIFICATION OF UNDERINSURED MOTORIST CONVERSION COVERAGE

The CTLA supports the first section of raised bill 895, and respectfully contends that the attached amended language of that section should be passed.

P.A. 93-297, effective January 1, 1994, among other provisions, created an optional coverage available in automobile liability insurance policies. This coverage is called "Underinsured Motorist Conversion Coverage. [C.G.S. Sec. 38a-336a.]

Underinsured Motorist Conversion Coverage permits and insured to collect for damages sustained in a collision with an "underinsured driver" (a term defined by the statute), up to the limit of his or her underinsured conversion coverage without having such coverage reduced by payments made by or on behalf of a third-party, or, prohibited by the fact that the tortfeasor's automobile liability insurance policy equals or exceeds the amount of the underinsured motorist conversion coverage.

This proposal will ensure consumers are adequately notified of the availability and cost of underinsured motorist conversion and that it is described to them at the time of purchase.

Uninsured and Underinsured Motorist coverage is important first-party coverage which the consumer may purchase to protect themselves and their families from harm caused on our roadways by financially irresponsible and inadequately insured drivers. A responsible insured has the option of purchasing enough coverage to protect his or her family from these harms caused by irresponsible drivers and companies.

This coverage, its benefits and its cost needs to be adequately explained to the consumer, who is often unsophisticated in these matters. Now that many policies are no longer sold by an insurance agent who understands the family's needs and resources and can apply that knowledge to advising the consumer as to the appropriate coverage to purchase, but are often sold via the internet or the telephone, by persons inexperienced with the nuances of this coverage in Connecticut, this provision becomes critically important to the purchase of automobile insurance coverage in our state.

The attached substitute language reflects the compromise worked out last year, which addressed the need for greater notification of this important coverage without unduly burdening the insurance providers.

WE RESPECTFULLY URGE YOU TO PASS SECTION 1 OF RAISED BILL 895. Thank you.

PROPOSED SUBSTITUTE LANGUAGE

RAISED BILL 895 – AAC UNINSURED MOTORISTS AND NOTIFICATION OF
UNDERINSURED MOTORIST CONVERSION COVERAGE

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

Section 1. Section 38a-336a of the general statutes is repealed and the following is
substituted in lieu thereof (*Effective October 1, 2009*):

(b) For any new policy issued on or after January 1, 2010, the availability of, premium cost and description of underinsured motorist conversion coverage shall be disclosed to an insured at the time of sale or issuance. Such information shall be included in a conspicuous manner with the informed consent form specified in subdivision (2) of subsection (a) of section 38a-336.