



Quality is Our Bottom Line

763

**Insurance Committee
Public Hearing**

February 3, 2009

Connecticut Association of Health Plans

Testimony regarding

SB 763 AAC the Connecticut Unfair Insurance Practices Act.

The Connecticut Association of Health Plans has very serious concerns with respect to SB 763 AAC the Connecticut Unfair Insurance Practices Act (CUIPA) and respectfully urges its rejection.

The bill before you would radically change the current statute governing CUIPA. Currently, under CUIPA plaintiffs must show that inappropriate conduct by an insurer is a "general business practice." SB 763 would change that principal and allow action on questionable individual isolated insurance or claim settlement disputes subjecting insurers to potentially limitless litigation and liability. A simple clerical error could result in double and treble damages being assessed on an insurer.

At a time when the legislature is spending considerable time, energy and resources in attempting to control escalating insurance costs and in attempting to increase overall access to health care, we believe that this bill goes in the wrong direction and we would strongly urge the Committee's rejection of the proposal.

The current law is based on an NAIC model act and is consistent with policies adopted by the majority of states. It has served Connecticut well and we believe it should be left to stand as is.

Thank you for your consideration.