

STATEMENT

Insurance Association of Connecticut

Judiciary Committee

March 26, 2010

**SB 487, An Act Concerning The Unauthorized
Practice of Law**

The Insurance Association of Connecticut opposes SB 487, An Act Concerning The Unauthorized Practice of Law, as it overly broad and could result in unjust ramifications.

SB 487 seeks to expand the scope of activities which can be considered the practice of law requiring a license. It is good public policy to bar non-attorneys from holding themselves out to the public as attorneys and from appearing in court on behalf of third parties. However, the provisions of SB 487 far exceed that goal by relying on very broad language to classify what activities cannot be performed by non-lawyers.

The definition of the practice of law contained in subsection (a)(1) of Section 1 is extremely broad and encompasses almost every aspect of an insurance company's operations that currently do not require lawyer involvement. Insurance company personnel routinely interrupt contractual obligations, draft documents and apply legal principles in the day-to-day operations of an insurance company, without needing to be an attorney. Pursuant to the provisions of SB 487 almost all of those acts would qualify as the practice of law and would require a lawyer to perform such tasks.

The definition encapsulated in SB 487 includes activities that are performed by non-lawyers and lawyers alike. The mere fact that a lawyer may perform some of those tasks should not elevate such activity to be deemed "the practice of law" requiring a license to

practice. SB 487 should be amended to more narrowly define the practice of law to limit the scope of its application to protect Connecticut residents from individuals who hold themselves out as lawyers, but are not.

Corporate counsel performs all the functions defined in this act on behalf of their corporate client. SB 487 exempts such an attorney, if licensed in another jurisdiction, only from the enforcement provisions of this proposal. Exempting such individuals from the enforcement provisions of only this proposal improperly erodes all other benefits and protections that are afforded to attorneys, like the client-attorney privilege. Such counsel should be exempt from all the provisions of this proposal if they are duly licensed in another state.

The Insurance Association of Connecticut urges your rejection of SB 487.