



General Assembly

**Substitute Bill No. 93**

February Session, 2010

\* \_\_\_\_\_SB00093JUD\_\_042010\_\_\_\_\_\*

**AN ACT CONCERNING REVISIONS TO THE INSURANCE STATUTES.**

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

1 Section 1. Subsection (d) of section 38a-8 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2010*):

4 (d) The commissioner shall develop a program of periodic review to  
5 ensure compliance by the Insurance Department with the minimum  
6 standards established by the National Association of Insurance  
7 Commissioners for effective financial surveillance and regulation of  
8 insurance companies operating in this state. The commissioner shall  
9 adopt regulations, in accordance with the provisions of chapter 54,  
10 pertaining to the financial surveillance and solvency regulation of  
11 insurance companies and health care centers as are reasonable and  
12 necessary to obtain or maintain the accreditation of the Insurance  
13 Department by the National Association of Insurance Commissioners.  
14 The commissioner shall maintain, as confidential, any confidential  
15 documents or information received from the National Association of  
16 Insurance Commissioners, or the International Association of  
17 Insurance Supervisors, or any documents or information received from  
18 state or federal insurance, banking or securities regulators or similar  
19 regulators in a foreign country which are confidential in such  
20 jurisdictions. The commissioner may share any information, including

21 confidential information, with the National Association of Insurance  
22 Commissioners, the International Association of Insurance  
23 Supervisors, or state or federal insurance, banking or securities  
24 regulators or similar regulators in a foreign country so long as the  
25 commissioner determines that such entities agree to maintain the same  
26 level of confidentiality in their jurisdiction as is available in this state.  
27 The commissioner may engage the services of [, at the expense of a  
28 domestic, alien or foreign insurer,] attorneys, actuaries, accountants  
29 and other experts not otherwise part of the commissioner's staff as may  
30 be necessary, at the expense of a domestic, alien or foreign insurer or  
31 other entity requiring licensure or registration under this title, to assist  
32 the commissioner in the financial analysis of the insurer or other entity,  
33 the review of the insurer's or other entity's license or registration  
34 applications, and the review of transactions within a holding company  
35 system involving an insurer domiciled in this state. No duties of a  
36 person employed by the Insurance Department on November 1, 2002,  
37 shall be performed by such attorney, actuary, accountant or expert.

38 Sec. 2. Section 38a-9 of the 2010 supplement to the general statutes is  
39 repealed and the following is substituted in lieu thereof (*Effective from*  
40 *passage*):

41 (a) Notwithstanding the provisions of section 4-8, there shall be a  
42 [Division of Consumer Affairs] division within the Insurance  
43 Department [, which division] that shall act on the Insurance  
44 Commissioner's behalf and at [his] said commissioner's direction in  
45 order to carry out his responsibilities under this title with respect to  
46 [such] consumer and market conduct matters. The division shall  
47 receive and review complaints from residents of this state concerning  
48 their insurance problems, including claims disputes, and serve as a  
49 mediator in such disputes in order to assist the commissioner in  
50 determining whether statutory requirements and contractual  
51 obligations within the commissioner's jurisdiction have been fulfilled.  
52 There shall be a director of said division, who shall be provided with  
53 sufficient staff. The division shall serve to coordinate all appropriate  
54 facilities in the department in addressing such complaints, and

55 conduct any outreach programs deemed necessary to properly inform  
56 and educate the public on insurance matters. The director shall submit  
57 quarterly reports to the commissioner, which shall state the number of  
58 complaints received by the division in such calendar quarter, the  
59 Connecticut premium volume of the appropriate line of each insurance  
60 company against which a complaint has been filed, the types of  
61 complaints received, and the number of such complaints which have  
62 been resolved. Such reports shall be published every six months and  
63 copies shall be made available to any interested resident of this state  
64 upon request. The commissioner shall report, in accordance with  
65 section 11-4a, to the joint standing committee of the General Assembly  
66 having cognizance of matters relating to insurance on or before  
67 January fifteenth, annually, concerning the findings of such reports  
68 and suggestions for legislative initiatives to address recurring  
69 problems.

70 (b) (1) The [Division of Consumer Affairs] division set forth in  
71 subsection (a) of this section shall provide an independent arbitration  
72 procedure for the settlement of disputes between claimants and  
73 insurance companies concerning automobile physical damage and  
74 automobile property damage liability claims in which liability and  
75 coverage are not in dispute. Such procedure shall apply only to  
76 disputes involving private passenger motor vehicles as defined in  
77 subsection (e) of section 38a-363. Any company licensed to write  
78 private passenger automobile insurance, including collision,  
79 comprehensive and theft, in this state shall participate in the  
80 arbitration procedure. The commissioner shall appoint an  
81 administrator for such procedure. Only those disputes in which  
82 attempts at mediation by [the Division of Consumer Affairs] said  
83 division have failed shall be accepted as arbitrable. The referral of the  
84 complaint to arbitration shall be made by the Insurance Department  
85 examiner who investigated the complaint. [Each party to] The claimant  
86 and the insurance company involved in the dispute shall pay a filing  
87 fee of [twenty] fifty dollars and one hundred dollars, respectively. The  
88 insurance company shall pay the consumer the undisputed amount of

89 the claim upon written notification from the department that the  
90 complaint has been referred to arbitration. Such payment shall not  
91 affect any right of the consumer to pursue the disputed amount of the  
92 claim.

93 (2) The commissioner shall prepare a list of at least ten persons, who  
94 have not been employed by the department or an insurance company  
95 during the preceding twelve months, to serve as arbitrators in the  
96 settlement of such disputes. The arbitrators shall be members of any  
97 dispute resolution organization approved by the commissioner. One  
98 arbitrator shall be appointed to hear and decide each complaint.  
99 Appointment shall be based solely on the order of the list. If an  
100 arbitrator is unable to serve on a given day, or if either party objects to  
101 the arbitrator, then the next arbitrator on the list will be selected. The  
102 department shall schedule arbitration hearings as often, and in such  
103 locations, as it deems necessary. Parties to the dispute shall be  
104 provided written notice of the hearing, at least ten days prior to the  
105 hearing date. The commissioner may issue subpoenas on behalf of the  
106 arbitrator to compel the attendance of witnesses and the production of  
107 documents, papers and records relevant to the dispute. Decisions shall  
108 be made on the basis of the evidence presented at the arbitration  
109 hearing. Where the arbitrator believes that technical expertise is  
110 necessary to decide a case, he may consult with an independent expert  
111 recommended by the commissioner. The arbitrator and any  
112 independent technical expert shall be paid by the department on a per  
113 dispute basis as established by the commissioner. The arbitrator, as  
114 expeditiously as possible, but not later than fifteen days after the  
115 arbitration hearing, shall render a written decision based on the  
116 information gathered and disclose the findings and the reasons to the  
117 parties involved. The arbitrator shall award filing fees to the prevailing  
118 party. If the decision favors the consumer the decision shall provide  
119 specific and appropriate remedies including interest at the rate of ten  
120 per cent on the arbitration award concerning the disputed amount of  
121 the claim, retroactive to the date of payment for the undisputed  
122 amount of the claim. The decision may include costs for loss of use and

123 storage of the motor vehicle and shall specify a date for performance  
124 and completion of all awarded remedies. Notwithstanding any  
125 provision of the general statutes or any regulation to the contrary, the  
126 Insurance Department shall not amend, reverse, rescind, or revoke any  
127 decision or action of any arbitrator. The department shall contact the  
128 consumer within ten working days after the date for performance, to  
129 determine whether performance has occurred. Either party may make  
130 application to the superior court for the judicial district in which one of  
131 the parties resides or, when the court is not in session, any judge  
132 thereof for an order confirming, vacating, modifying or correcting any  
133 award, in accordance with the provisions of sections 52-417, 52-418, 52-  
134 419 and 52-420. If it is determined by the court that either party's  
135 position after review has been improved by at least ten per cent over  
136 that party's position after arbitration, the court, in its discretion, may  
137 grant to that party its costs and reasonable attorney's fees. No  
138 evidence, testimony, findings, or decision from the department  
139 arbitration procedure shall be admissible in any civil proceeding,  
140 except judicial review of the arbitrator's decision as contemplated by  
141 this subsection.

142 (3) The department shall maintain records of each dispute,  
143 including names of parties to the arbitration, the decision of the  
144 arbitrator, compliance, the appeal, if any, and the decision of the court.  
145 The department shall annually compile such statistics and send a copy  
146 to the committee of the General Assembly having cognizance of  
147 matters relating to insurance. The report shall be considered a public  
148 document.

149 (c) Notwithstanding the provisions of section 4-8, there shall be [a  
150 Division of Rate Review] divisions within the Insurance Department [,  
151 which division] that shall act on the commissioner's behalf and at the  
152 commissioner's direction in order to carry out the commissioner's  
153 responsibilities under this title with respect to [such matters] rate  
154 review. Subject to the provisions of sections 38a-663 to 38a-696,  
155 inclusive, the [division] divisions shall assist the commissioner in  
156 reviewing rates and supplementary rate information filed with the

157 department for compliance with statutory requirements and  
158 standards. The [division's staff] divisions' staffs shall include rating  
159 examiners with sufficient actuarial expertise. Upon the request of the  
160 commissioner, the [division] divisions shall review rates and  
161 supplementary rate information, and any suspected violation of the  
162 statutory requirements and standards of sections 38a-663 to 38a-696,  
163 inclusive, found pursuant to such review shall be referred to the  
164 commissioner for appropriate action. The [division] divisions may  
165 assist the commissioner in formalizing the commissioner's findings  
166 regarding such actions. The commissioner shall report, in accordance  
167 with section 11-4a, to the joint standing committee of the General  
168 Assembly having cognizance of matters relating to insurance on or  
169 before January fifteenth annually, concerning (1) the number and type  
170 of reviews conducted by the property and casualty division in the  
171 prior calendar year, and (2) the percentage of increase or decrease in  
172 rates reviewed by the property and casualty division during the  
173 preceding calendar year, by line and subline of insurance.

174 (d) The directors and staff of [both the Division of Consumer Affairs  
175 and the Division of Rate Review] the divisions set forth in subsections  
176 (a) and (c) of this section shall be appointed by the commissioner  
177 under the provisions of chapter 67.

178 Sec. 3. Subsection (a) of section 38a-11 of the 2010 supplement to the  
179 general statutes is repealed and the following is substituted in lieu  
180 thereof (*Effective October 1, 2010*):

181 (a) The commissioner shall demand and receive the following fees:  
182 (1) For the annual fee for each license issued to a domestic insurance  
183 company, two hundred dollars; (2) for receiving and filing annual  
184 reports of domestic insurance companies, fifty dollars; (3) for filing all  
185 documents prerequisite to the issuance of a license to an insurance  
186 company, two hundred twenty dollars, except that the fee for such  
187 filings by any health care center, as defined in section 38a-175, shall be  
188 one thousand three hundred fifty dollars; (4) for filing any additional  
189 paper required by law, thirty dollars; (5) for each certificate of

190 valuation, organization, reciprocity or compliance, forty dollars; (6) for  
191 each certified copy of a license to a company, forty dollars; (7) for each  
192 certified copy of a report or certificate of condition of a company to be  
193 filed in any other state, forty dollars; (8) for amending a certificate of  
194 authority, two hundred dollars; (9) for each license issued to a rating  
195 organization, two hundred dollars. In addition, insurance companies  
196 shall pay any fees imposed under section 12-211; (10) a filing fee of  
197 fifty dollars for each initial application for a license made pursuant to  
198 section 38a-769; (11) with respect to insurance agents' appointments:  
199 (A) A filing fee of fifty dollars for each request for any agent  
200 appointment, except that no filing fee shall be payable for a request for  
201 agent appointment by an insurance company domiciled in a state or  
202 foreign country which does not require any filing fee for a request for  
203 agent appointment for a Connecticut insurance company; (B) a fee of  
204 one hundred dollars for each appointment issued to an agent of a  
205 domestic insurance company or for each appointment continued; and  
206 (C) a fee of eighty dollars for each appointment issued to an agent of  
207 any other insurance company or for each appointment continued,  
208 except that (i) no fee shall be payable for an appointment issued to an  
209 agent of an insurance company domiciled in a state or foreign country  
210 which does not require any fee for an appointment issued to an agent  
211 of a Connecticut insurance company, and (ii) the fee shall be twenty  
212 dollars for each appointment issued or continued to an agent of an  
213 insurance company domiciled in a state or foreign country with a  
214 premium tax rate below Connecticut's premium tax rate; (12) with  
215 respect to insurance producers: (A) An examination fee of fifteen  
216 dollars for each examination taken, except when a testing service is  
217 used, the testing service shall pay a fee of fifteen dollars to the  
218 commissioner for each examination taken by an applicant; (B) a fee of  
219 eighty dollars for each license issued; (C) a fee of eighty dollars per  
220 year, or any portion thereof, for each license renewed; and (D) a fee of  
221 eighty dollars for any license renewed under the transitional process  
222 established in section 38a-784; (13) with respect to public adjusters: (A)  
223 An examination fee of fifteen dollars for each examination taken,  
224 except when a testing service is used, the testing service shall pay a fee

225 of fifteen dollars to the commissioner for each examination taken by an  
226 applicant; and (B) a fee of two hundred fifty dollars for each license  
227 issued or renewed; (14) with respect to casualty adjusters: (A) An  
228 examination fee of twenty dollars for each examination taken, except  
229 when a testing service is used, the testing service shall pay a fee of  
230 twenty dollars to the commissioner for each examination taken by an  
231 applicant; (B) a fee of eighty dollars for each license issued or renewed;  
232 and (C) the expense of any examination administered outside the state  
233 shall be the responsibility of the entity making the request and such  
234 entity shall pay to the commissioner two hundred dollars for such  
235 examination and the actual traveling expenses of the examination  
236 administrator to administer such examination; (15) with respect to  
237 motor vehicle physical damage appraisers: (A) An examination fee of  
238 eighty dollars for each examination taken, except when a testing  
239 service is used, the testing service shall pay a fee of eighty dollars to  
240 the commissioner for each examination taken by an applicant; (B) a fee  
241 of eighty dollars for each license issued or renewed; and (C) the  
242 expense of any examination administered outside the state shall be the  
243 responsibility of the entity making the request and such entity shall  
244 pay to the commissioner two hundred dollars for such examination  
245 and the actual traveling expenses of the examination administrator to  
246 administer such examination; (16) with respect to certified insurance  
247 consultants: (A) An examination fee of twenty-six dollars for each  
248 examination taken, except when a testing service is used, the testing  
249 service shall pay a fee of twenty-six dollars to the commissioner for  
250 each examination taken by an applicant; (B) a fee of two hundred fifty  
251 dollars for each license issued; and (C) a fee of two hundred fifty  
252 dollars for each license renewed; (17) with respect to surplus lines  
253 brokers: (A) An examination fee of twenty dollars for each  
254 examination taken, except when a testing service is used, the testing  
255 service shall pay a fee of twenty dollars to the commissioner for each  
256 examination taken by an applicant; and (B) a fee of six hundred  
257 twenty-five dollars for each license issued or renewed; (18) with  
258 respect to fraternal agents, a fee of eighty dollars for each license  
259 issued or renewed; (19) a fee of twenty-six dollars for each license

260 certificate requested, whether or not a license has been issued; (20)  
261 with respect to domestic and foreign benefit societies shall pay: (A) For  
262 service of process, fifty dollars for each person or insurer to be served;  
263 (B) for filing a certified copy of its charter or articles of association,  
264 fifteen dollars; (C) for filing the annual report, twenty dollars; and (D)  
265 for filing any additional paper required by law, fifteen dollars; (21)  
266 with respect to foreign benefit societies: (A) For each certificate of  
267 organization or compliance, fifteen dollars; (B) for each certified copy  
268 of permit, fifteen dollars; and (C) for each copy of a report or certificate  
269 of condition of a society to be filed in any other state, fifteen dollars;  
270 (22) with respect to reinsurance intermediaries: A fee of six hundred  
271 twenty-five dollars for each license issued or renewed; (23) with  
272 respect to life settlement providers: (A) A filing fee of twenty-six  
273 dollars for each initial application for a license made pursuant to  
274 section 38a-465a; and (B) a fee of forty dollars for each license issued or  
275 renewed; (24) with respect to life settlement brokers: (A) A filing fee of  
276 twenty-six dollars for each initial application for a license made  
277 pursuant to section 38a-465a; and (B) a fee of forty dollars for each  
278 license issued or renewed; (25) with respect to preferred provider  
279 networks, a fee of two thousand seven hundred fifty dollars for each  
280 license issued or renewed; (26) with respect to rental companies, as  
281 defined in section 38a-799, a fee of eighty dollars for each permit  
282 issued or renewed; (27) with respect to medical discount plan  
283 organizations licensed under section 38a-479rr, a fee of six hundred  
284 twenty-five dollars for each license issued or renewed; (28) with  
285 respect to pharmacy benefits managers, an application fee of one  
286 hundred dollars for each registration issued or renewed; (29) with  
287 respect to captive insurance companies, as defined in section 38a-91aa,  
288 a fee of three hundred seventy-five dollars for each license issued or  
289 renewed; [and] (30) with respect to each duplicate license issued a fee  
290 of fifty dollars for each license issued; and (31) a filing fee of two  
291 thousand five hundred dollars for each statement of acquisition of  
292 control of a domestic insurance company filed pursuant to section 38a-  
293 130.

294 Sec. 4. Section 38a-14a of the general statutes is repealed and the  
295 following is substituted in lieu thereof (*Effective October 1, 2010*):

296 (a) Subject to the limitation contained in this section and in addition  
297 to the powers which the Insurance Commissioner has under sections  
298 38a-14 and 38a-15, as amended by this act, relating to the examination  
299 of insurance companies and health care centers doing business in this  
300 state, the commissioner shall have the power to order any insurance  
301 company registered under section 38a-135 or health care center to  
302 produce such records, books or other information in the possession of  
303 the insurance company or the health care center or its affiliates as are  
304 reasonably necessary to ascertain the financial condition of such  
305 insurance company or health care center or to determine compliance  
306 with sections 38a-129 to 38a-140, inclusive. In the event such insurance  
307 company or health care center fails to comply with such order, the  
308 commissioner shall have the power to examine any such affiliate to  
309 obtain such information.

310 (b) The commissioner may engage the services of attorneys,  
311 actuaries, accountants and other experts not otherwise a part of the  
312 commissioner's staff, at the registered insurance company's or health  
313 care center's expense, as shall be reasonably necessary to assist in the  
314 conduct of the examination under subsection (a) of this section. All  
315 persons so engaged shall be under the direction and control of the  
316 commissioner and shall act in a purely advisory capacity.

317 (c) Each registered insurance company or health care center  
318 producing for examination records, books and papers pursuant to  
319 subsection (a) of this section shall be liable for and shall pay the  
320 expense of such examination in accordance with sections 38a-14 and  
321 38a-15, as amended by this act.

322 Sec. 5. Section 38a-15 of the general statutes is repealed and the  
323 following is substituted in lieu thereof (*Effective October 1, 2010*):

324 (a) The commissioner shall, as often as [he] the commissioner deems  
325 it expedient, undertake a market conduct examination of the affairs of

326 any insurance company, health care center or fraternal benefit society  
327 doing business in this state.

328 (b) To carry out the examinations under this section, the  
329 commissioner may appoint, as market conduct examiners, one or more  
330 competent persons [, not officers] who shall not be officers of, or  
331 connected with or interested in any insurance company, health care  
332 center or fraternal benefit society, other than as a policyholder. In  
333 conducting the examination, the commissioner, [his] the  
334 commissioner's actuary or any examiner authorized by the  
335 commissioner may examine, under oath, the officers and agents of  
336 such an insurance company, health care center or fraternal benefit  
337 society and all persons deemed to have material information regarding  
338 the company's, center's or society's property or business. Each such  
339 company, center or society, its officers and agents, shall produce the  
340 books and papers, in its or their possession, relating to its business or  
341 affairs, and any other person may be required to produce any book or  
342 paper [, in his] in such person's custody [,] deemed to be relevant to the  
343 examination, for the inspection of the commissioner, [his] the  
344 commissioner's actuary or examiners, when required. The officers and  
345 agents of the company, center or association shall facilitate the  
346 examination and aid the examiners in making the same so far as it is in  
347 their power to do so.

348 (c) Each market conduct examiner shall make a full and true report  
349 of each market conduct examination made by [him] such examiner,  
350 which shall comprise only facts appearing upon the books, papers,  
351 records or documents of the examined company, center or society or  
352 ascertained from the sworn testimony of its officers or agents or of  
353 other persons examined under oath concerning its affairs. The  
354 examiner's report shall be presumptive evidence of the facts therein  
355 stated in any action or proceeding in the name of the state against the  
356 company, center or society, its officers or agents. [The] Before filing  
357 such report, the commissioner shall grant a hearing to the company,  
358 center or society examined, [before filing any such report,] and may  
359 withhold any such report from public inspection for such time as [he]

360 the commissioner deems proper. The commissioner may, if [he] said  
361 commissioner deems it in the public interest, publish any such report,  
362 or the result of any such examination contained therein, in one or more  
363 newspapers of the state.

364 [(d) All the expense of any examination made under the authority of  
365 this section, other than examinations of domestic insurance companies,  
366 shall be paid by the company, center or society examined, and  
367 domestic insurance companies and other domestic entities examined  
368 outside the state shall pay the traveling and maintenance expenses of  
369 examiners.]

370 (d) No domestic insurance company or other domestic entity subject  
371 to examination under this section shall pay, as costs associated with  
372 the examination, the salaries, fringe benefits, and traveling and  
373 maintenance expenses of examining personnel of the Insurance  
374 Department engaged in such examination if such domestic company  
375 or entity is otherwise liable to an assessment levied under section 38a-  
376 47, except that a domestic insurance company or other domestic entity  
377 shall pay the traveling and maintenance expenses of examining  
378 personnel of the Insurance Department when such company or entity  
379 is examined outside the state.

380 (e) Nothing in this section shall be construed to prevent or prohibit  
381 the commissioner from disclosing the content of an examination  
382 report, preliminary examination report or results, or any matter  
383 relating thereto, to the Insurance Department of this or any other state  
384 or country, or to law enforcement officials of this or any other state or  
385 to any agency of the federal government at any time, provided such  
386 agency or office receiving the report or matters relating thereto agrees  
387 in writing to hold such report or matters confidential.

388 (f) All working papers, recorded information, documents and copies  
389 thereof produced by, obtained by or disclosed to the commissioner or  
390 any other person in the course of an examination made under this  
391 section shall be given confidential treatment, shall not be subject to

392 subpoena and shall not be made public by the commissioner or any  
393 other person, except to the extent provided in subsection (e) of this  
394 section. Access to such working papers, recorded information,  
395 documents and copies may be granted by the commissioner to the  
396 National Association of Insurance Commissioners, provided it agrees,  
397 in writing, to hold such working papers, recorded information,  
398 documents and copies confidential.

399 Sec. 6. Subdivision (1) of subsection (d) of section 38a-91bb of the  
400 general statutes is repealed and the following is substituted in lieu  
401 thereof (*Effective October 1, 2010*):

402 (d) (1) Each captive insurance company shall pay to the  
403 commissioner a nonrefundable fee of eight hundred dollars for  
404 examining, investigating and processing its application for a license. [,  
405 and the] The commissioner may retain legal, financial and examination  
406 services from outside the department for the licensing and financial  
407 oversight of a captive insurance company, the reasonable cost of which  
408 may be charged against [the applicant] such company. The provisions  
409 of subdivisions (2) to (5), inclusive, of subsection (k) of section 38a-14  
410 shall apply to [examinations, investigations and processing conducted  
411 under] the services retained pursuant to this [section] subsection.

412 Sec. 7. Subsection (g) of section 38a-91hh of the 2010 supplement to  
413 the general statutes is repealed and the following is substituted in lieu  
414 thereof (*Effective from passage*):

415 (g) Nothing contained in this section shall prevent or be construed  
416 as prohibiting the commissioner from disclosing the content of an  
417 examination report, preliminary examination report or results, or any  
418 matter relating to such report to (1) the [Insurance Department]  
419 insurance regulatory officials of this or any other state or country, (2)  
420 law enforcement officials of this or any other state, or (3) any agency of  
421 this or any other state or of the federal government at any time, so long  
422 as such agency or office receiving the report or matters relating to such  
423 report agrees, in writing, that such documents shall be confidential.

424 Sec. 8. Section 38a-91nn of the 2010 supplement to the general  
425 statutes is repealed and the following is substituted in lieu thereof  
426 (*Effective from passage and applicable to calendar years commencing on and*  
427 *after January 1, 2010*):

428 (a) Each captive insurance company shall pay to the Commissioner  
429 of Revenue Services, [in the month of February of each year] on or  
430 before March first, annually, a tax at the rate of thirty-eight hundredths  
431 of one per cent on the first twenty million dollars and two hundred  
432 eighty-five thousandths of one per cent on the next twenty million  
433 dollars and nineteen hundredths of one per cent on the next twenty  
434 million dollars and seventy-two thousandths of one per cent on each  
435 dollar thereafter, on the direct premiums collected or contracted for on  
436 policies or contracts of insurance written by the captive insurance  
437 company during the year ending December thirty-first next preceding,  
438 after deducting from the direct premiums subject to the tax the  
439 amounts paid to policyholders as return premiums which shall include  
440 dividends on unabsorbed premiums or premium deposits returned or  
441 credited to policyholders, except that no tax shall be due or payable as  
442 to considerations received for annuity contracts.

443 (b) The annual minimum aggregate tax to be paid by a captive  
444 insurance company calculated under subsection (a) of this section shall  
445 be seven thousand five hundred dollars, and the annual maximum  
446 aggregate tax shall be two hundred thousand dollars.

447 (c) [A captive insurance company failing to file returns as required  
448 in this section or failing to pay within the time required all taxes  
449 assessed by this section shall be subject to penalty under section 12-  
450 229.] The provisions of sections 12-204, 12-204d, 12-204g and 12-205 to  
451 12-208, inclusive, shall apply to sections 38a-91aa to 38a-91qq,  
452 inclusive, as amended by this act, in the same manner and with the  
453 same force and effect as if the language of sections 12-204, 12-204d, 12-  
454 204g and 12-205 to 12-208, inclusive, had been incorporated in full into  
455 this section and had expressly referred to the tax due under this  
456 section, except to the extent such language is inconsistent with a

457 provision of sections 38a-91aa to 38a-91qq, inclusive, as amended by  
458 this act.

459 (d) Two or more captive insurance companies under common  
460 ownership and control shall be taxed as though they were a single  
461 captive insurance company.

462 (e) For the purposes of this section common ownership and control  
463 means:

464 (1) In the case of stock corporations, the direct or indirect ownership  
465 of eighty per cent or more of the outstanding voting stock of two or  
466 more corporations by the same shareholder or shareholders; and

467 (2) In the case of mutual or nonprofit corporations, the direct or  
468 indirect ownership of eighty per cent or more of the surplus and the  
469 voting power of two or more corporations by the same member or  
470 members.

471 (f) The tax provided for in this section shall constitute all taxes  
472 collectible under the laws of this state from any captive insurance  
473 company, and no other occupation tax or other taxes shall be levied or  
474 collected from any captive insurance company by the state or any  
475 county, city or municipality within this state, except taxes on real and  
476 personal property used in the production of income.

477 (g) The tax provided for in this section shall be calculated on an  
478 annual basis, notwithstanding policies or contracts of insurance or  
479 contracts of reinsurance issued on a multiyear basis. In the case of  
480 multiyear policies or contracts, the premium shall be prorated for  
481 purposes of determining the tax under this section.

482 Sec. 9. Subparagraph (B) of subdivision (1) of section 38a-92a of the  
483 general statutes is repealed and the following is substituted in lieu  
484 thereof (*Effective October 1, 2010*):

485 (B) "Financial guaranty insurance" shall not include:

486 (i) Insurance of any loss resulting from any event described in  
487 subparagraph (A) of this subdivision if the loss is payable only upon  
488 the occurrence of any of the following, as specified in a surety bond,  
489 insurance policy or indemnity contract: A fortuitous physical event; a  
490 failure of or deficiency in the operation of equipment; or an inability to  
491 extract or recover a natural resource;

492 (ii) Surety insurance, defined as insurance: Guaranteeing the fidelity  
493 of persons holding positions of public or private trusts; indemnifying  
494 financial institutions against loss of moneys, securities, negotiable  
495 instruments and other tangible items of personal property caused by  
496 larceny, misplacement, destruction or other stated perils; insuring  
497 against loss caused by forgery of signatures on, or alterations of  
498 specified documents, instruments and papers; becoming surety on or  
499 guaranteeing the performance of a bond which shall not exceed a  
500 period greater than five years, that guarantees the payment of a  
501 premium, deductible, or self-insured retention to an insurer issuing a  
502 workers' compensation or liability policy; insuring deposits in financial  
503 institutions to the extent of the excess over the amount insured by the  
504 Federal Deposit Insurance Corporation; guaranteeing the performance  
505 of contracts for services, including a bid, payment or performance  
506 bond where the bond is guaranteeing the execution of any contract  
507 other than a contract of indebtedness or other monetary obligation;  
508 and guaranteeing or otherwise becoming surety for the performance of  
509 any lawful contract, not specifically provided for in this subdivision,  
510 except any insurance contract which constitutes either mortgage  
511 guaranty insurance or financial guaranty insurance, as defined in  
512 subparagraph (A) of this subdivision;

513 (iii) Credit unemployment insurance, defined as insurance on a  
514 debtor in connection with a specific loan or other credit transaction, to  
515 provide payments to a creditor in the event of unemployment of the  
516 debtor for the installments or other periodic payments becoming due  
517 while a debtor is unemployed;

518 (iv) Credit insurance indemnifying a manufacturer, merchant or

519 educational institution which extends credit against loss or damage  
520 resulting from nonpayment of debts owed to such entity for goods or  
521 services provided in the normal course of business;

522 (v) Guaranteed investment contracts issued by a life insurance  
523 company which provides that the life insurer will make specified  
524 payments in exchange for specific premiums or contributions;

525 (vi) Mortgage guaranty insurance, defined as insurance against  
526 financial loss by reason of the nonpayment of principal, interest and  
527 other sums agreed to be paid under the terms of any note or bond or  
528 other evidence of indebtedness secured by a mortgage, deed of trust or  
529 other instrument constituting a first lien or charge on residential real  
530 estate consisting of less than five units;

531 (vii) Indemnity contracts or similar guaranties, to the extent that  
532 they are not otherwise limited or proscribed by sections 38a-92 to 38a-  
533 92n, inclusive, in which a life insurer does any of the following:  
534 Guarantees its obligations or indebtedness or the obligations or  
535 indebtedness of a subsidiary, as defined in section 38a-1, other than a  
536 financial guaranty insurance corporation, provided: To the extent that  
537 any such obligations or indebtedness are backed by specific assets,  
538 those assets shall be at all times owned by the life insurer or the  
539 subsidiary, and in the case of the guaranty of the obligations or  
540 indebtedness of the subsidiary that are not backed by specific assets of  
541 the life insurer, the guaranty terminates once the subsidiary ceases to  
542 be a subsidiary; guarantees obligations or indebtedness, including the  
543 obligation to substitute assets where appropriate, with respect to  
544 specific assets acquired by a life insurer in the course of normal  
545 investment activities and not for the purpose of resale with credit  
546 enhancement or guarantees obligations or indebtedness acquired by a  
547 subsidiary, provided the assets acquired pursuant to this  
548 subparagraph have been either acquired by a special purpose entity,  
549 whose sole purpose is to acquire specific assets of the life insurer or the  
550 subsidiary and issue securities or participation certificates backed by  
551 the assets, or sold to an independent third party, or guarantees

552 obligations or indebtedness of an employee or agent of the life insurer;

553 (viii) Any cramdown bond or mortgage repurchase bond, as those  
554 phrases are used by nationally recognized rating agencies in respect to  
555 mortgage-backed securities;

556 (ix) Residual value insurance, defined as insurance issued in  
557 connection with a lease or contract which sets forth a specific  
558 termination value at the end of the term of the lease or contract for the  
559 property covered by the lease or contract and which insures against  
560 loss of economic value, other than loss due to physical damage, of  
561 tangible personal property, real property and improvements thereto;

562 (x) Any letter of credit or similar transaction effected by a bank,  
563 trust company or savings association;

564 (xi) Accumulation fund arrangements of any life insurance contract  
565 or annuity contract made pursuant to section 38a-460, or any funding  
566 agreements made pursuant to section 38a-459; or

567 (xii) Any other form of insurance covering risks that the  
568 commissioner determines to be substantially similar to any of the  
569 foregoing.

570 Sec. 10. Subsection (b) of section 38a-364 of the 2010 supplement to  
571 the general statutes is repealed and the following is substituted in lieu  
572 thereof (*Effective from passage*):

573 (b) Each insurance company that issues private passenger motor  
574 vehicle liability insurance providing the security required by sections  
575 38a-19 and 38a-363 to 38a-388, inclusive, shall issue annually to each  
576 such insured an automobile insurance identification card, in duplicate,  
577 for each insured vehicle, one of which shall be presented to the  
578 commissioner as provided in section 14-12b and the other carried in  
579 the vehicle as provided in section [14-12f] 14-13. Except as provided in  
580 subsection (c) of this section, such card shall be effective for a period of  
581 one year and shall include the name of the insured and insurer, the

582 policy number, the effective date of coverage, the year, make or model  
583 and vehicle identification number of the insured vehicle and an  
584 appropriate space wherein the insured may set forth the year, make or  
585 model and vehicle identification number of any private passenger  
586 motor vehicle that becomes covered as a result of a change in the  
587 covered vehicle during the effective period of the identification card.  
588 When an insured has five or more private passenger motor vehicles  
589 registered in this state, the insurer may use the designation "all owned  
590 vehicles" on each card in lieu of a specific vehicle description. Each  
591 insurance company that delivers, issues for delivery or renews such  
592 private passenger motor vehicle liability insurance in this state on or  
593 after January 1, 2009, shall include on such card, the following notice,  
594 printed in capital letters and boldface type:

595

NOTICE:

596 YOU HAVE THE RIGHT TO CHOOSE THE LICENSED REPAIR  
597 SHOP WHERE THE DAMAGE TO YOUR MOTOR VEHICLE WILL  
598 BE REPAIRED.

599 Sec. 11. Section 38a-430 of the general statutes is repealed and the  
600 following is substituted in lieu thereof (*Effective October 1, 2010*):

601 (a) No life insurance or annuity policy or contract shall be delivered  
602 or issued for delivery to any person in this state, nor shall any  
603 application, rider or endorsement be used in connection therewith,  
604 until a copy of the form thereof shall have been filed with and  
605 approved by the commissioner. The commissioner shall adopt  
606 regulations in accordance with the provisions of chapter 54,  
607 establishing a procedure for review of such policies. The commissioner  
608 shall issue [an order] a decision disapproving the use of any such form  
609 at any time if it does not comply with the requirements of law, or if it  
610 contains a provision or provisions which are unfair or deceptive or  
611 which encourage misrepresentation of the policy. The commissioner  
612 shall specify the reason for his disapproval. The provisions of section  
613 38a-19 shall apply to any such [order] decision issued by the

614 commissioner.

615 (b) The commissioner may prescribe requirements for disclosure  
616 notices, illustrations or other explanatory materials said commissioner  
617 deems necessary to protect policyholders.

618 [(b)] (c) Nothing in this chapter shall preclude the issuance of a life  
619 insurance contract, including, but not limited to, a long-term care  
620 policy as provided in section 38a-458, which includes an optional  
621 health insurance rider, provided [,] the optional health insurance rider  
622 [must be] is filed with and approved by the Insurance Commissioner  
623 pursuant to section 38a-481, as amended by this act. Any company  
624 offering such policies for sale in this state shall be licensed to sell  
625 health insurance in this state pursuant to the provisions of section 38a-  
626 41.

627 Sec. 12. Subsections (a) to (d), inclusive, of section 38a-481 of the  
628 2010 supplement to the general statutes are repealed and the following  
629 is substituted in lieu thereof (*Effective October 1, 2010*):

630 (a) (1) No individual health insurance policy shall be delivered or  
631 issued for delivery to any person in this state, nor shall any  
632 application, rider or endorsement be used in connection with such  
633 policy, until a copy of the form thereof and of the classification of risks  
634 and the premium rates have been filed with the commissioner. The  
635 commissioner shall adopt regulations, in accordance with chapter 54,  
636 to establish a procedure for reviewing such policies. The commissioner  
637 shall disapprove the use of such form at any time if it does not comply  
638 with the requirements of law, or if it contains a provision or provisions  
639 [which] that are unfair or deceptive or [which] that encourage  
640 misrepresentation of the policy. The commissioner shall notify, in  
641 writing, the insurer [which] that has filed any such form of the  
642 commissioner's disapproval, specifying the reasons for disapproval,  
643 and [ordering] communicating that no such insurer shall deliver or  
644 issue for delivery to any person in this state a policy on or containing  
645 such form. The provisions of section 38a-19 shall apply to such [orders]

646 notifications of disapprovals.

647 (2) The commissioner may prescribe requirements for disclosure  
648 notices, illustrations or other explanatory materials said commissioner  
649 deems necessary to protect policyholders.

650 (b) No rate filed under the provisions of subsection (a) of this  
651 section shall be effective until the expiration of thirty days after it has  
652 been filed or unless sooner approved by the commissioner in  
653 accordance with regulations adopted pursuant to this subsection. The  
654 commissioner shall adopt regulations, in accordance with chapter 54,  
655 to prescribe standards to [insure] ensure that such rates shall not be  
656 excessive, inadequate or unfairly discriminatory. The commissioner  
657 may disapprove such rate within thirty days after it has been filed if it  
658 fails to comply with such standards, except that no rate filed under the  
659 provisions of subsection (a) of this section for any Medicare  
660 supplement policy shall be effective unless approved in accordance  
661 with section 38a-474, as amended by this act.

662 (c) No insurance company, fraternal benefit society, hospital service  
663 corporation, medical service corporation, health care center or other  
664 entity which delivers or issues for delivery in this state any Medicare  
665 supplement policies or certificates shall incorporate in its rates or  
666 determinations to grant coverage for Medicare supplement insurance  
667 policies or certificates any factors or values based on the age, gender,  
668 previous claims history or the medical condition of any person covered  
669 by such policy or certificate. [ , except for plans "H" to "J", inclusive, as  
670 provided in section 38a-495b. In plans "H" to "J", inclusive, previous  
671 claims history and the medical condition of the applicant may be used  
672 in determinations to grant coverage under Medicare supplement  
673 policies and certificates issued prior to January 1, 2006.]

674 (d) Rates on a particular policy form [will] shall not be deemed  
675 excessive if the insurer has filed a loss ratio guarantee with the  
676 Insurance Commissioner [which] that meets the requirements of  
677 subsection (e) of this section provided (1) the form of such loss ratio

678 guarantee has been explicitly approved by the Insurance  
679 Commissioner, and (2) the current expected lifetime loss ratio is not  
680 more than five per cent less than the filed lifetime loss ratio as certified  
681 by an actuary. The insurer shall withdraw the policy form if the  
682 commissioner determines that the lifetime loss ratio will not be met.  
683 Rates also [will] shall not be deemed excessive if the insurer complies  
684 with the terms of the loss ratio guarantee. The Insurance  
685 Commissioner may adopt regulations, in accordance with chapter 54,  
686 to [assure] ensure that the use of a loss ratio guarantee does not  
687 constitute an unfair practice.

688 Sec. 13. Subsection (b) of section 38a-495b of the general statutes is  
689 repealed and the following is substituted in lieu thereof (*Effective from*  
690 *passage*):

691 (b) In accordance with the regulations adopted pursuant to section  
692 38a-495a, on and after July 1, 2005, there [are] shall be standardized  
693 Medicare supplement insurance policies or certificates as designated  
694 [as plans "A" to "L", inclusive] by the Centers for Medicare and  
695 Medicaid Services.

696 Sec. 14. Section 38a-513 of the general statutes is repealed and the  
697 following is substituted in lieu thereof (*Effective October 1, 2010*):

698 (a) (1) No group health insurance policy, as defined by the  
699 commissioner, or certificate shall be issued or delivered in this state  
700 unless a copy of the form for such policy or certificate has been  
701 submitted to and approved by the commissioner under the regulations  
702 adopted pursuant to this section. The commissioner shall adopt  
703 regulations, in accordance with chapter 54, concerning the provisions,  
704 submission and approval of such policies and certificates and  
705 establishing a procedure for reviewing such policies and certificates. [If  
706 the commissioner issues an order disapproving the use of such form,  
707 the] The commissioner shall disapprove the use of such form at any  
708 time if it does not comply with the requirements of law, or if it  
709 contains a provision or provisions that are unfair or deceptive or that

710 encourage misrepresentation of the policy. The commissioner shall  
711 notify, in writing, the insurer that has filed any such form of the  
712 commissioner's disapproval, specifying the reasons for disapproval,  
713 and communicating that no such insurer shall deliver or issue for  
714 delivery to any person in this state a policy on or containing such form.  
715 The provisions of section 38a-19 shall apply to such [order]  
716 notifications of disapprovals.

717 (2) The commissioner may prescribe requirements for disclosure  
718 notices, illustrations or other explanatory materials said commissioner  
719 deems necessary to protect policyholders.

720 (b) No insurance company, fraternal benefit society, hospital service  
721 corporation, medical service corporation, health care center or other  
722 entity [which] that delivers or issues for delivery in this state any  
723 Medicare supplement policies or certificates shall incorporate in its  
724 rates or determinations to grant coverage for Medicare supplement  
725 insurance policies or certificates any factors or values based on the age,  
726 gender, previous claims history or the medical condition of any person  
727 covered by such policy or certificate. [, except for plans "H" to "J",  
728 inclusive, as provided in section 38a-495b. In plans "H" to "J", inclusive,  
729 previous claims history and the medical condition of the applicant may  
730 be used in determinations to grant coverage under Medicare  
731 supplement policies and certificates issued prior to January 1, 2006.]

732 (c) Nothing in this chapter shall preclude the issuance of a group  
733 health insurance policy which includes an optional life insurance rider,  
734 provided the optional life insurance rider must be filed with and  
735 approved by the Insurance Commissioner pursuant to section 38a-430,  
736 as amended by this act. Any company offering such policies for sale in  
737 this state shall be licensed to sell life insurance in this state pursuant to  
738 the provisions of section 38a-41.

739 (d) Not later than January 1, 2009, the commissioner shall adopt  
740 regulations, in accordance with chapter 54, to establish minimum  
741 standards for benefits in group specified disease policies, certificates,

742 riders, endorsements and benefits.

743 Sec. 15. Subdivision (15) of section 38a-816 of the general statutes is  
744 repealed and the following is substituted in lieu thereof (*Effective*  
745 *October 1, 2010*):

746 (15) (A) Failure by an insurer, or any other entity responsible for  
747 providing payment to a health care provider pursuant to an insurance  
748 policy, to pay accident and health claims, including, but not limited to,  
749 claims for payment or reimbursement to health care providers, within  
750 the time periods set forth in subparagraph (B) of this subdivision,  
751 unless the Insurance Commissioner determines that a legitimate  
752 dispute exists as to coverage, liability or damages or that the claimant  
753 has fraudulently caused or contributed to the loss. Any insurer, or any  
754 other entity responsible for providing payment to a health care  
755 provider pursuant to an insurance policy, who fails to pay such a claim  
756 or request within the time periods set forth in subparagraph (B) of this  
757 subdivision shall pay the claimant or health care provider the amount  
758 of such claim plus interest at the rate of fifteen per cent per annum, in  
759 addition to any other penalties which may be imposed pursuant to  
760 sections 38a-11, as amended by this act, 38a-25, 38a-41 to 38a-53,  
761 inclusive, 38a-57 to 38a-60, inclusive, 38a-62 to 38a-64, inclusive, 38a-  
762 76, 38a-83, 38a-84, 38a-117 to 38a-124, inclusive, 38a-129 to 38a-140,  
763 inclusive, 38a-146 to 38a-155, inclusive, 38a-283, 38a-288 to 38a-290,  
764 inclusive, 38a-319, 38a-320, 38a-459, 38a-464, 38a-815 to 38a-819,  
765 inclusive, 38a-824 to 38a-826, inclusive, and 38a-828 to 38a-830,  
766 inclusive. Whenever the interest due a claimant or health care provider  
767 pursuant to this section is less than one dollar, the insurer shall deposit  
768 such amount in a separate interest-bearing account in which all such  
769 amounts shall be deposited. At the end of each calendar year each such  
770 insurer shall donate such amount to The University of Connecticut  
771 Health Center.

772 (B) Each insurer, or other entity responsible for providing payment  
773 to a health care provider pursuant to an insurance policy subject to this  
774 section, shall pay claims not later than forty-five days after receipt by

775 the insurer of the claimant's proof of loss form or the health care  
776 provider's request for payment filed in accordance with the insurer's  
777 practices or procedures, except that when there is a deficiency in the  
778 information needed for processing a claim, as determined in  
779 accordance with section 38a-477, the insurer shall (i) send written  
780 notice to the claimant or health care provider, as the case may be, of all  
781 alleged deficiencies in information needed for processing a claim not  
782 later than thirty days after the insurer receives a claim for payment or  
783 reimbursement under the contract, and (ii) pay claims for payment or  
784 reimbursement under the contract not later than thirty days after the  
785 insurer receives the information requested.

786 (C) As used in this subdivision, "health care provider" means (i) a  
787 person licensed to provide health care services under chapter 368d,  
788 chapter 368v, chapters 370 to 373, inclusive, 375 to 383c, inclusive, 384a  
789 to 384c, inclusive, or chapter 400j, and (ii) a person who holds an  
790 equivalent license from any other state.

791 Sec. 16. Subsection (a) of section 38a-478n of the 2010 supplement to  
792 the general statutes is repealed and the following is substituted in lieu  
793 thereof (*Effective from passage*):

794 (a) Any enrollee, or any provider acting on behalf of an enrollee  
795 with the enrollee's consent, who has exhausted the internal  
796 mechanisms provided by a managed care organization, health insurer  
797 or utilization review company to appeal the denial of a claim based on  
798 medical necessity or a determination not to certify an admission,  
799 service, procedure or extension of stay, regardless of whether such  
800 determination was made before, during or after the admission, service,  
801 procedure or extension of stay, may appeal such denial or  
802 determination to the commissioner. As used in this section and section  
803 38a-478m, "health insurer" means any entity, other than a managed  
804 care organization that delivers, issues for delivery, renews, amends or  
805 continues an individual or group health insurance plan in this state  
806 providing coverage of the type specified in subdivision (1), (2), (4),  
807 (10), (11), (12), [and] (13) and (16) of section 38a-469, and "enrollee"

808 means a person who has contracted for or who participates in coverage  
809 under an individual or group health insurance plan or a managed care  
810 plan for such person or such person's eligible dependents.

811 Sec. 17. Section 2 of public act 09-179 is repealed and the following is  
812 substituted in lieu thereof (*Effective from passage*):

813 The commissioner shall carry out a review as set forth in section 1 of  
814 [this act] public act 09-179 of statutorily mandated health benefits  
815 existing on or effective on July 1, 2009. The commissioner shall submit,  
816 in accordance with section 11-4a of the general statutes, the findings to  
817 the joint standing committee of the General Assembly having  
818 cognizance of matters relating to insurance not later than January 1,  
819 [2010] 2011.

820 Sec. 18. Subsection (b) of section 38a-473 of the general statutes is  
821 repealed and the following is substituted in lieu thereof (*Effective from*  
822 *passage*):

823 (b) No insurance company, fraternal benefit society, hospital service  
824 corporation, medical service corporation, health care center or other  
825 entity which delivers or issues for delivery in this state any Medicare  
826 supplement policies or certificates shall incorporate in its rates or  
827 determinations to grant coverage for Medicare supplement insurance  
828 policies or certificates any factors or values based on the age, gender,  
829 previous claims history or the medical condition of any person covered  
830 by such policy or certificate. [ except for plans "H" to "J", inclusive, as  
831 provided in section 38a-495b. In plans "H" to "J", inclusive, previous  
832 claims history and the medical condition of the applicant may be used  
833 in determinations to grant coverage under Medicare supplement  
834 policies and certificates issued prior to January 1, 2006.]

835 Sec. 19. Subsection (b) of section 38a-474 of the general statutes is  
836 repealed and the following is substituted in lieu thereof (*Effective from*  
837 *passage*):

838 (b) No insurance company, fraternal benefit society, hospital service

839 corporation, medical service corporation, health care center or other  
840 entity which delivers or issues for delivery in this state any Medicare  
841 supplement policies or certificates shall incorporate in its rates or  
842 determinations to grant coverage for Medicare supplement insurance  
843 policies or certificates any factors or values based on the age, gender,  
844 previous claims history or the medical condition of the person covered  
845 by such policy or certificate. [ , except for plans "H" to "J", inclusive, as  
846 provided in section 38a-495b. In plans "H" to "J", inclusive, previous  
847 claims history and the medical condition of the applicant may be used  
848 in determinations to grant coverage under Medicare supplement  
849 policies and certificates issued prior to January 1, 2006.]

850 Sec. 20. Subsections (a) and (b) of section 38a-495c of the general  
851 statutes are repealed and the following is substituted in lieu thereof  
852 (*Effective from passage*):

853 (a) Each insurance company, fraternal benefit society, hospital  
854 service corporation, medical service corporation, health care center or  
855 other entity in this state, on or after January 1, 1994, which delivers,  
856 issues for delivery, continues or renews any Medicare supplement  
857 insurance policies or certificates shall base the premium rates charged  
858 on a community rate. Such rate shall not be based on age, gender,  
859 previous claims history or the medical condition of the person covered  
860 by such policy or certificate. Except as provided in subsection (c) of  
861 this section, coverage shall not be denied on the basis of age, gender,  
862 previous claim history or the medical condition of the person covered  
863 by such policy or certificate. [ , except for plans "H" to "J", inclusive, as  
864 provided in section 38a-495b. In plans "H" to "J", inclusive, previous  
865 claims history and the medical condition of the applicant may be used  
866 in determinations to grant coverage under Medicare supplement  
867 policies and certificates issued prior to January 1, 2006.]

868 (b) Nothing in this section shall prohibit an insurance company,  
869 fraternal benefit society, hospital service corporation, medical service  
870 corporation, health care center or other entity in this state issuing  
871 Medicare supplement insurance policies or certificates from using its

872 usual and customary underwriting procedures, provided no such  
 873 company, society, corporation, center or other entity shall issue a  
 874 Medicare supplement policy or certificate based on the age, gender,  
 875 previous claims history or the medical condition of the applicant. [,  
 876 except that the previous claims history and the medical condition of  
 877 the applicant may be used in determinations to grant coverage under  
 878 Medicare supplement policies and certificates issued prior to January  
 879 1, 2006, for plans "H" to "J", inclusive.]

880 Sec. 21. Subdivision (1) of subsection (k) of section 38a-865 of the  
 881 general statutes is repealed and the following is substituted in lieu  
 882 thereof (*Effective from passage*):

883 (k) (1) A person receiving benefits under sections 38a-858 to 38a-875,  
 884 inclusive, whether the benefits are payments of or on account of  
 885 contractual obligations, continuation of coverage or provision of  
 886 substitute or alternative coverages, shall be deemed to have assigned  
 887 (A) the rights under the covered policy or contract to the association to  
 888 the extent of the benefits received under sections 38a-858 to 38a-875,  
 889 inclusive, and (B) any [causes] cause of action against any person for  
 890 losses arising under, resulting from or otherwise relating to, the  
 891 covered policy or contract to the association to the extent of the  
 892 benefits received because of sections 38a-858 to 38a-875, inclusive. The  
 893 association may require an assignment to it of such rights or cause of  
 894 action by any payee, policy or contract owner, beneficiary, insured or  
 895 annuitant as a condition precedent to the receipt of any right or  
 896 benefits under sections 38a-858 to 38a-875, inclusive, upon the person.  
 897 The provisions of sections 52-225g to 52-225l, inclusive, shall not apply  
 898 to such rights or cause of action assigned to the association pursuant to  
 899 this subsection.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2010</i>	38a-8(d)
Sec. 2	<i>from passage</i>	38a-9
Sec. 3	<i>October 1, 2010</i>	38a-11(a)

Sec. 4	<i>October 1, 2010</i>	38a-14a
Sec. 5	<i>October 1, 2010</i>	38a-15
Sec. 6	<i>October 1, 2010</i>	38a-91bb(d)(1)
Sec. 7	<i>from passage</i>	38a-91hh(g)
Sec. 8	<i>from passage and applicable to calendar years commencing on and after January 1, 2010</i>	38a-91nn
Sec. 9	<i>October 1, 2010</i>	38a-92a(1)(B)
Sec. 10	<i>from passage</i>	38a-364(b)
Sec. 11	<i>October 1, 2010</i>	38a-430
Sec. 12	<i>October 1, 2010</i>	38a-481(a) to (d)
Sec. 13	<i>from passage</i>	38a-495b(b)
Sec. 14	<i>October 1, 2010</i>	38a-513
Sec. 15	<i>October 1, 2010</i>	38a-816(15)
Sec. 16	<i>from passage</i>	38a-478n(a)
Sec. 17	<i>from passage</i>	PA 09-179, Sec. 2
Sec. 18	<i>from passage</i>	38a-473(b)
Sec. 19	<i>from passage</i>	38a-474(b)
Sec. 20	<i>from passage</i>	38a-495c(a) and (b)
Sec. 21	<i>from passage</i>	38a-865(k)(1)

**JUD**      *Joint Favorable Subst.*