

Statement

Insurance Association of Connecticut

Insurance and Real Estate Committee

February 9, 2010

HB 5014, An Act Concerning Automobile
And Personal Risk Insurance

HB 5014, An Act Concerning Automobile and Personal Risk Insurance, is a combination of two bills from the 2009 session which did not get through both houses of the General Assembly.

The original legislation before the Insurance Committee last session would have done severe damage to the automobile insurance marketplace and to the state's insurance consumers by, among other things, prohibiting the use of credit information in rating and underwriting auto insurance, and making counterproductive changes to the process by which the value of a totalled motor vehicle is calculated.

We appreciate the willingness of the Insurance Committee to consider the various serious concerns the insurance industry had with the legislation, a number of which are reflected in language changes to what is now HB 5014.

Importantly, HB 5014 permits the continued use of credit information as one of the many tools insurers use to properly and accurately underwrite and rate personal lines insurance in Connecticut, and maintains a fair and consistent method for determining the value of a totalled motor vehicle.