



253

State of Connecticut

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March 2, 2010

Testimony of Senator Toni Boucher
**In Support of SB 253, AN ACT CONCERNING PROOF OF DELIVERY OF
CANCELLATION NOTIFICATION OF LIFE INSURANCE POLICIES**

Chairman Crisco, Chairman Fontana, Ranking Member Caligiuri, Ranking Member D'Amelio, and other distinguished members of the Joint Committee on Insurance and Real Estate, thank you for raising **SB 253, An Act Concerning Proof of Delivery of Cancellation Notification of Life Insurance Policies**. This bill requires insurers to provide written notice to customers of a cancellation of life insurance benefits at least 15 days prior to the termination date. The most important part of this bill is that it requires that the termination notification be sent by registered or certified mail or in any way that guarantees a proof of delivery.

I do not normally support additional mandates for businesses, but I believe this bill represents a commonsense way to protect consumers. Recently, one of my constituents had his life insurance policy cancelled. He was unaware of the termination and never received a notice in the mail and, as a result, put his family's financial security at risk. It was also true that this term life policy was transferred multiple times over a 20 year period as the company was bought and sold. If this law was in place, it would have guaranteed that the notice arrived. I want to ensure that this situation does not happen again to any other unsuspecting resident. And let me be clear, I would like to caution and recommend that the legislation should be simple and not add to an already complicated regulatory environment for the industry.

The importance of life insurance benefits is such that we must be certain that policyholders receive actual notice prior to cancellation, and certified mail would offer proof that such a notice was received. We require such certified notice prior to cancelling automobile insurance, so it would seem a logical step to require such notice for what is arguably a more important type of insurance.

Thank you for taking the time to hear SB 253. I urge the committee to act favorably on this proposal as a way to protect Connecticut consumers.