

## ***Statement***

### ***Insurance Association of Connecticut***

Government Administration and Elections Committee

March 7, 2011

SB 44, An Act Concerning The Election Of The Insurance Commissioner

HJR 8, Resolution Proposing An Amendment To The State Constitution  
To Require The Election Of The Insurance Commissioner

The Insurance Association of Connecticut opposes SB 44, An Act Concerning The Election Of The Insurance Commissioner and HJR 8, Resolution Proposing An Amendment To The State Constitution To Require The Election Of The Insurance Commissioner.

Both of these proposals would add the position of Insurance Commissioner to the list of state officers that are elected by the public in a statewide general election. There is simply no reason for such a change. Connecticut's Insurance Department has an excellent reputation across the country, a reputation that has been well earned over the years.

The Insurance Commissioner's responsibilities are many and varied, including representing the best interests of the state's insurance consumers, and overseeing the solvency of insurers in the state. Regulators are best able to handle these demanding functions if they have a background and expertise in insurance matters. This is no different than the commissioners of other state departments, who are consistently chosen on the basis of their knowledge and experience in the jurisdictional matters of the particular department.

Only eleven states currently elect their Insurance Commissioner. We know of no evidence that elected commissioners bring any additional benefit to consumers. In fact, Connecticut has hundreds of insurers in highly competitive marketplaces competing on the basis of product, service and price for consumers' business, all to the benefit of the state's consumers.

These proposals would certainly politicize the regulation of insurance, bringing unnecessary delays and increased costs to the process, to the detriment of the public. In addition, well-documented legal problems have regrettably characterized the recent administrations of several elected commissioners.

In Louisiana, three recent commissioners have been convicted of crimes related to their public positions, and all went to federal prison (sentences ranging from 6 months to 25 years). In California, Commissioner Quakenbush resigned in 2000 amid allegations that he misused political contributions and funds in a nonprofit foundation set up to help earthquake victims. In Oklahoma, Commissioner Fisher resigned in 2004 in order to avoid impeachment by the State Senate. He was convicted of embezzlement and perjury in 2006, and faces four other trials.

Legislation like SB 44 and HJ Resolution 8 have been rejected repeatedly in Connecticut, and for good reason. The state has been effectively served by its insurance commissioners over the years. IAC respectfully requests that the Committee defeat SB 44 and HJ Resolution 8.