

Bill Text for 2011 CT H 6365

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

Section 1. (NEW) (Effective July 1, 2011) All insurance maintained by a municipality shall, prior to renewal, be submitted for competitive bid.

Section 2. Section 38a-707b of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2011):

(a) For purposes of this section, "insurance", "insurance producer" and "insurer" have the same meanings as provided in section 38a-702a, and "municipality" means any town, city or borough, consolidated town and city or consolidated town and borough.

(b) Any insurance producer who sells, solicits or negotiates insurance on behalf of an insurer to a municipality or local or regional board of education shall:

(1) Upon request from the municipality or local or regional board of education, fully disclose, in writing, the amount of any fees or compensation such insurance producer receives from the insurer for such services pursuant to the written memorandum required under section 38a-707 or the Investment Advisers Act of 1940, 15 USC 80b-1, et. seq., as amended from time to time; and,

(2) Upon request from the municipality or local or regional board of education, list as a separate line item in any insurance policy rate quote provided by such insurance producer a reasonable estimate of the amount of such producer's producer may expect to receive as commission for such policy.

(c) This section shall not apply to individually underwritten life or supplemental health insurance policies offered on a payroll deduction basis where the policyholder pays the entire premiums for the policy.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2011	New section
Sec. 2	July 1, 2011	38a-707b

Statement of Purpose:

To require (1) municipalities that maintain insurance to submit for competitive bidding prior to renewal of such insurance, and (2) insurance producers that sell, solicit or negotiate insurance on behalf of an insurer to a municipality or local or regional board of education to list such producer's commission as a separate line item on any insurance rate quote provided to such municipality or board of education.