



House of Representatives

General Assembly

File No. 40

February Session, 2012

Substitute House Bill No. 5226

House of Representatives, March 19, 2012

The Committee on Insurance and Real Estate reported through REP. MEGNA of the 97th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING LIFE INSURANCE PREMIUM PAYMENT SCHEDULES FOR RETIREES.

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

1 Section 1. Section 38a-430 of the 2012 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2012*):

4 (a) No life insurance or annuity policy or contract shall be delivered
5 or issued for delivery to any person in this state, nor shall any
6 application, rider or endorsement be used in connection therewith,
7 until a copy of the form thereof shall have been filed with and
8 approved by the commissioner. The commissioner shall adopt
9 regulations, in accordance with the provisions of chapter 54,
10 establishing a procedure for review of such policies. The commissioner
11 shall issue an order disapproving the use of any such form at any time
12 if it does not comply with the requirements of law, or if it contains a
13 provision or provisions that are unfair or deceptive or that encourage
14 misrepresentation of the policy. The commissioner shall specify the

15 reason for the commissioner's disapproval. The provisions of section
16 38a-19 shall apply to any such order issued by the commissioner.

17 (b) (1) Upon request by a retiree insured under an individual life
18 insurance policy or a rider thereto, an insurance company shall allow
19 such retiree to elect a premium payment schedule. Such schedule
20 choices shall include, at a minimum, a quarterly, a biannual and an
21 annual premium payment.

22 (2) Upon request by a retiree insured under a group life insurance
23 policy or a rider thereto who pays any part of the premium for such
24 policy or rider, the policyholder shall allow such retiree to elect a
25 premium payment schedule. Such schedule choices shall include, at a
26 minimum, a quarterly, a biannual and an annual premium payment.

27 [(b)] (c) Nothing in this chapter shall preclude the issuance of a life
28 insurance [contract] policy including, but not limited to, a long-term
29 care policy as provided in section 38a-458, that includes an optional
30 health insurance rider, provided the optional health insurance rider is
31 filed with and approved by the Insurance Commissioner pursuant to
32 section 38a-481. Any company offering such policies for sale in this
33 state shall be licensed to sell health insurance in this state pursuant to
34 the provisions of section 38a-41.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2012	38a-430

INS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

There is no fiscal impact to the state or municipalities as this bill relates only to the schedule of payments from insurance companies to private individuals.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5226*****AN ACT CONCERNING LIFE INSURANCE PREMIUM PAYMENT SCHEDULES FOR RETIREES.*****SUMMARY:**

This bill allows a retiree insured under a life insurance policy the option of electing a premium payment schedule. The retiree may choose at least quarterly, biannual, or annual payments.

EFFECTIVE DATE: October 1, 2012

PREMIUM PAYMENT SCHEDULES***Individual Life Insurance***

The bill requires an insurer to allow a retiree who is insured under an individual life insurance policy or related rider, upon the retiree's request, to elect a premium payment schedule. The insurer must give the retiree the choice of at least a quarterly, biannual, or annual payment schedule.

Group Life Insurance

The bill requires a group policyholder to allow a retiree who (1) is insured under a group life insurance policy or related rider and (2) pays a portion of the premium, upon the retiree's request, to elect a premium payment schedule. The policyholder must give the retiree the choice of at least a quarterly, biannual, or annual payment schedule.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 16 Nay 2 (03/08/2012)