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**Statement of the National Association of Mutual Insurance Companies to the
Insurance and Real Estate Committee**

**HB-5230, "An Act Concerning Various Changes to
Property and Casualty Insurance Statutes"**

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I am pleased to provide comments on behalf of the National Association of Mutual Insurance Companies (NAMIC) regarding HB-5230, "An Act Concerning Various Changes to Property and Casualty Insurance Statutes." NAMIC is the largest and most diverse national property and casualty insurance trade and political advocacy association in the United States. Its 1,400 member companies write all lines of property/casualty insurance business and include small, single-state, regional, and national carriers accounting for 50 percent of the automobile/homeowners market.

NAMIC opposes HB-5230 and urges the Committee not to give it a favorable report. In NAMIC's view, the bill's many diverse provisions are either unnecessary or problematic or both.

Section 1, which would establish certain standards for the application of hurricane deductibles, addresses and issue which has already been fully addressed by the Connecticut Insurance Department through a revision of its Filing Review Guidelines Related to Underwriting Coastal Homeowners Insurance Policies. NAMIC believes it is preferable to have such standards addressed through Department guidelines rather than statute because guidelines allow for flexibility in responding to changing market conditions and other circumstances.

Section 2, which would add mitigation services to the list of services for which notice must be provided, could add delay to mitigation activities that would exacerbate a loss.

Sections 3 and 5, the intent of which is not clear, would apparently require a range of coverages currently available in the marketplace to adhere to the restrictive language of the statutory Standard Fire Policy. It would seem that these sections could have a broad and extensive negative impact in reducing diversity in the marketplace that benefits insurance consumers.

Section 4 would amend statutory appraisal clause language to eliminate the requirement that each party selects a "disinterested" party to represent them in the appraisal process. It is not clear what problem or issue this provision is meant to address such as whether there have been problems with the procedure outlined in statute. To the extent that eliminating the requirement could interfere with the process of arriving at an agreed value, it would seem that the change would undermine the effectiveness of the appraisal process.

It is also unclear from the suggested text what issue or problem is meant to be addressed by Section 6.

In sum, in NAMIC's view, each section of HB-5230 is either unnecessary or problematic, with some provisions raising serious concern about their potential impact. For these reasons, we oppose the bill.

Thank you for the opportunity to present NAMIC's views. I would be happy to provide additional information to benefit the Committee's deliberations.

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