



Senate

General Assembly

File No. 246

February Session, 2012

Substitute Senate Bill No. 409

Senate, April 3, 2012

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING DISCLOSURES FOR UNIVERSAL LIFE INSURANCE POLICIES.

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2 statutes is repealed and the following is substituted in lieu thereof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) No universal life insurance policy shall be delivered or issued for
18 delivery to any person in this state unless it bears on its cover, in not
19 less than twelve-point boldface type in capital letters, the following:

20 NOTICE

21 THE PREMIUMS THAT YOU PAY FOR THIS POLICY MAY
22 INCREASE IN THE FUTURE. IT IS IMPORTANT THAT YOU READ
23 AND UNDERSTAND THIS POLICY.

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

The bill has no state or municipal impact as it concerns disclosure notices for private life insurance policies.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**sSB 409*****AN ACT CONCERNING DISCLOSURES FOR UNIVERSAL LIFE INSURANCE POLICIES.*****SUMMARY:**

This bill requires each universal life insurance policy delivered or issued to anyone in Connecticut to include a notice on its cover in at least 12-point boldface capital letters. The notice must read: "The premiums that you pay for this policy may increase in the future. It is important that you read and understand this policy."

Universal life insurance is a type of permanent life insurance that combines a death benefit with a savings element, which is invested to provide a cash value.

EFFECTIVE DATE: October 1, 2012

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/20/2012)