

**Insurance Association of Connecticut
Insurance and Real Estate Committee**

February 16, 2012

SB 17, An Act Concerning Mileage-Based Automobile Insurance Policies

The Insurance Association of Connecticut, IAC, is opposed to SB 17, An Act Concerning Mileage-Based Automobile Insurance Policies, as it is not needed and causes confusion in the rating of personal auto insurance in Connecticut.

SB 17 seeks to amend the rate setting statute for personal automobile insurance to give the Insurance Department the authority to regulate verified mileage auto policies, also known as "pay-as-you drive" auto policies, based on criteria set forth in this proposal. There is nothing in Connecticut law that prevents the sale of such policies, as they are currently available in the Connecticut market. As such, the department has already established standards for reviewing and approving the rates for these products and SB 17 is simply not needed.

Further, as drafted, SB 17 creates confusion on how mileage will be able to be used for any other type of auto policy. Insurers routinely inquire into the usage of a vehicle when they underwrite a policy. Will insurers still be able to inquire how far one drives to work? Or how many miles are driven in a year? Mileage is one factor, among others, that insurers currently use to establish rate. It is unclear how insurers will be able to use mileage going forward if this bill were adopted.

For above stated reasons the IAC urges your rejection of SB 17.