

Good evening Chairman Crisco, Chairman Megna and distinguished members of the Insurance and Real Estate Committee.

My name is William Kiley and I serve as the President of the New England Surplus Lines Association and also the President of Connecticut Underwriters. I am here to testify on House Bill 6379 and suggest a few additions to the proposal before you.

The members of my regional association as well as myself as their spokes-man, are in agreement with the signed statement aspect of the bill and applaud the committee for recognizing the necessity for this change. The statute is antiquated and the removal of the affidavit aspect will bring long awaited changes to the current law and eliminate costly, unnecessary language.

The law should be very clear that the insured's authorized producer is and should be responsible for providing the diligent effort to procure coverage from any authorized insurer. The law, as it stands today, is very unclear as to who is responsible. The surplus lines licensee has no contact with the insured and in most if not all instances has no licensed carriers to place the business. It's the insured's authorized producer who must receive the declinations from the licensed carriers. I would suggest wording to this effect.

We met with the Insurance Department over the fall months and following this meeting we would also suggest that language be added to this proposal to provide a 3 year grace period for signed statements on commercial policies, meaning a signed statement is sufficient for a 3 year period and a new signed statement only be required for commercial policies on the anniversary of the fourth year renewal. This provision has been discussed with the insurance department and there is agreement with the Department for this change. We also agree with the Department that for non-commercial policies an annual statement should be the rule of the day.

We would suggest the committee look at the language below and consider adding these provisions to the bill before you to accomplish these two goals.

The Surplus Lines Licensee shall require as signed statement from the insured and the insured's authorized producer setting forth facts showing that such authorized producer and insured were unable, after diligent effort, to procure from any authorized insurer, the full amount of insurance required to protect the interest of such insured.

For any policy written on a commercial form, including Professional Liability, D&O and E&O, renewed, continued or extended by the same insurer, for a period of 3 years, no signed statement shall be required to be completed by the insured and the insured's authorized producer from which the surplus lines licensee had previously retained.

We thank you for the opportunity to testify in support of the underlying bill and the changes requested above and I am prepared to answer any questions you may have.