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## STATEMENT

### PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

### H.B. No. 5635 – AN ACT CONCERNING THE TIME FRAME FOR PROVISION OF A COMPLETED INSURANCE APPLICATION FORM BY AN INSURANCE PRODUCER TO AN APPLICANT

### COMMITTEE ON INSURANCE AND REAL ESTATE

February 14, 2013

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on H.B. 5635, an act concerning the time frame for provision of a completed insurance application form by an insurance producer to an applicant. Our comments are provided on behalf of the member companies of PCI, a national property casualty trade association with over 1,000 member companies. PCI member companies provide 49 percent of Connecticut's personal lines insurance coverage.

PCI is unclear what problem this bill is trying to address and would submit that this bill would add unnecessary requirements to the process of insurance sales. Consumers benefit when they shop around for insurance so as to secure the policy with the best price for their coverage needs. To the extent that this bill would add unnecessary requirements to the insurance sales process, it may make the process of shopping for insurance unnecessarily cumbersome rather than facilitating such a process.

PCI is also concerned that the requirements envisioned by this bill seem to contemplate face-to-face insurance transactions, which is often not the manner in which insurance is currently purchased by the consumer in today's modern world. Insurance is purchased in many different ways, including phone and internet sales. With phone and internet sales, there may be no written application document to provide to the consumer.

In addition, with consumers shopping around for insurance, a large percentage of consumers don't purchase the policy when they receive a premium quote. This bill could be construed to require an application to be sent each time a premium quote is given, which would require an application to be completed each time a quote is given. This could require the collection of information from the consumer to complete the application which might not otherwise be required in order for the insurer to provide a quote. This may be inconvenient for the consumer and may add unnecessary time and hassle to the process which could discourage shopping for insurance. Moreover, if an application is required to be provided to the consumer each time a quote is provided, it would result in numerous unnecessary mailings at a significant cost to Connecticut policyholders.

For the foregoing reasons, PCI urges your Committee NOT to advance HB 5635.