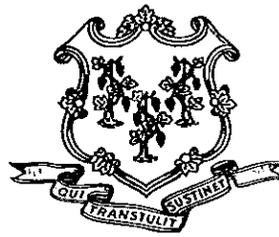


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February 26, 2013

Good afternoon Senator Crisco, Representative Megna and members of the Insurance and Real Estate Committee. I am here to testify in support of SB 953, AN ACT CONCERNING DISCLOSURES FOR UNIVERSAL LIFE INSURANCE POLICIES and SB 959, AN ACT CONCERNING THE GRACE PERIOD FOR LIFE INSURANCE POLICIES AND DESIGNATION OF THIRD PARTIES TO RECEIVE CANCELLATION NOTICES.

SB 953 is quite simple and uncomplicated. It merely requires that universal life insurance policies include a disclosure that premiums for such policies may increase. I have become aware through constituents who have contacted my office that they have been sold life insurance policies and make an assumption that the rate is fixed. Often this assumption is incorrect and can lead to a policy that is too expensive to keep but would represent a significant financial loss to cancel. It seems entirely reasonable to require this disclosure.

SB 959 would require a sixty-day grace period for life insurance premium payments and it would allow an insured under a life insurance policy to designate a third party to receive copies of notices of cancellation for nonpayment of premium from the insurer. This legislation would ensure that policy holders have sufficient time and notice to remain current with their life insurance policies. This provision would be of particular benefit to frail elderly policy holders who often rely upon their adult children to monitor their obligations and make sure that bills are paid. Together, SB 953 and SB 959 would offer significant consumer protections while placing a very small burden on insurers. Thank you for hearing these important bills.