

RICHARD P. HASTINGS, PC.  
GEORGE M. COHAN, LLC  
PATRICK J. WALSH+

## HASTINGS, COHAN & WALSH, LLP

ATTORNEYS AT LAW  
440 MAIN STREET  
RIDGEFIELD, CONNECTICUT 06877  
TELEPHONE (203) 438-7450  
FACSIMILE (203) 438-0263  
[www.hcwlaw.com](http://www.hcwlaw.com)

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+Also admitted in New York

March 4, 2014

Ms. Diane K. Kubeck  
Connecticut General Assembly  
Legislative Office Building Rooms 2800  
Hartford, CT 06106

Dear Ms. Kubeck:

My name is Richard Hastings and I practice personal injury law with the Ridgefield CT firm of Hastings, Cohan & Walsh LLP.

In Connecticut, it is required that any motor vehicle liability insurance policy written in the state must include uninsured motorist and underinsured motorist coverage. The purpose behind mandatory uninsured and underinsured motorist coverage is to protect those people who have purchased insurance coverage in the event they are injured by a negligent driver who either has no insurance coverage whatsoever or does not have sufficient limits of liability to properly compensate the injured party.

So if you are injured, through the fault of another driver, and that driver does not have any insurance on the vehicle that caused the accident, then you could turn to your uninsured motorist coverage and you could be compensated up to the limits of your liability. If you are injured, through the fault of another driver, and that driver does not have sufficient limits of liability to properly compensate you for your damages, then you can turn to your underinsured motorist coverage and you could be compensated up to the limits of your liability. The reason for the enactment of uninsured/underinsured motorist coverage statute is to place the injured party in the same position that he or she would have been in had the negligent driver, or the person that caused the accident, had purchased the same amount of insurance as the injured party.

Connecticut used to have stacking of uninsured/underinsured motorist policies but that was done away with by statute. As a result of this change, a new statute (38a-336a) was enacted that provided for the creation of underinsured motorist conversion coverage. Conversion coverage allows the insured to purchase greater protection because the underinsured party can access this coverage on top of the monies received from the tortfeasor, or the person that caused the accident. Conversion coverage provides the insured with greater protection because the subject vehicle becomes underinsured by reference to the insured's actual damages rather than

the amount of the tortfeasor, or responsible parties coverage, and eliminates any reduction for payments made by the responsible party's insurance company.

Our underinsured motorist conversion coverage statute provides, among other things, that for each new automobile liability insurance policy issued, or renewed, the insurer shall disclose to an insured at the time of sale or issuance the availability of, the premium cost and a description of underinsured motorist conversion coverage. Such description of coverage shall be included in a conspicuous manner with the informed consent form specified in subdivision (two) of subsection (a) of section 38a-336. Although the statute requires that the insurer is to provide this information to the insured and obtain a signed statement declining conversion coverage, there is no penalty in the statute for the insurance companies failure to comply. In other words, there is a right without a remedy.

Raised Bill number 5364 provides a much needed amendment and a very detrimental amendment.

First and foremost, the proposed act looks to make uninsured and underinsured motorist coverage optional rather than mandatory. This is an incredibly bad idea because given the economic nature of this type of coverage, insurance companies might look to dissuade insureds from purchasing uninsured and underinsured motorist coverage because of the economic incentive to do so. If insurance companies are looking to not write uninsured and underinsured motorist coverage, then they could encourage their agents to downplay the importance of this type of coverage and look to highlight the savings that an insured might obtain by not electing to carry this much needed coverage.

This proposed act would potentially benefit insurance companies and further line their pockets while creating dire economic consequences for people who are injured in accidents by people who either have no insurance or insignificant limits of liability to properly compensate the injured party for their damages. The percentage of uninsured motorists operating motor vehicles on our roadways is staggering. The Insurance Research Council estimated in its 2011 study the percentage of motorists operating vehicles without insurance in Connecticut.

I am curious as to whether anyone on this committee knows approximately what percentage of people operate motor vehicles on Connecticut roadways who do not have any insurance. Does anyone know? Does anyone have a guess? The number is 9.5%. In other words, almost one in 10 people that operate a motor vehicle on Connecticut roadways do not have any insurance coverage at all.

So what does this mean for our citizens? If you are injured by an uninsured driver, and do not have a health insurance policy that will be accepted by an orthopedic or neurological doctor, then the chances of the injured person getting proper medical care and treatment is greatly reduced. If you have a substandard health insurance policy and are injured in an accident through the fault of another then you might have to wait months in order to get treatment. If injured parties are using Medicare or Medicaid insurance to pay for their medical bills, and the responsible party does not have any type of insurance, then any liens that are generated by this

medical treatment will arguably go unpaid. Attorneys will not be able to give doctors letters of protection to allow the injured party to receive treatment without insurance coverage.

So the net effect of this proposal before you today is that a number of people injured in motor vehicle accidents by someone that does not have insurance runs the risk of getting substandard medical care. Additionally, liens that would otherwise attach to insurance company payouts for Medicare and Medicaid would remain unpaid because of the injured party's inability to pay these bills. All the while, motor vehicle insurance carriers would arguably be saving money and not having to pay out uninsured motorist claims while society as a whole would suffer. This proposal, I would suggest, makes no sense whatsoever.

The second proposal in the raised bill that makes a lot of sense is the fact that if an insurer fails to offer, or fails to disclose to an insured the availability of, underinsured motorist conversion coverage or fails to procure a signed informed consent form from an insured who has declined such coverage, such insurer shall provide such coverage to an insured at no cost to the insured. This proposed language would provide the much needed penalty that currently does not exist.

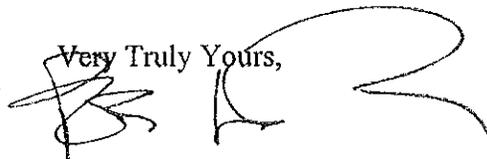
I am curious as to how many of you on this committee have underinsured motorist conversion coverage. I am also curious as to how many of you on this committee have had your insurance agent explain underinsured motorist conversion coverage to you, and for those of you that do not have underinsured motorist coverage conversion coverage, how many of you signed the required informed consent form.

It is important that this committee understand the importance of protecting its citizens from negligent drivers who either do not have any insurance or do not have enough insurance to properly compensate the injured party for their damages. It is also important that the General Assembly enact legislation, which provides a penalty for a requirement of a statute where currently one does not exist.

I would urge this committee to make uninsured and underinsured motorist coverage mandatory, as it currently stands, and to require insurers who do not comply with the requirements of Connecticut General Statutes Section 38a-336a to provide insureds with underinsured motorist conversion coverage.

Thank you.

Very Truly Yours,

A handwritten signature in black ink, appearing to be 'Richard P. Hastings', written over the typed name below. The signature is stylized and somewhat cursive.

Richard P. Hastings