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Raised Bill 5595  
Public Hearing 3-31-14

To: **MEMBERS OF THE JUDICIARY COMMITTEE**  
From: **CONNECTICUT TRIAL LAWYERS ASSOCIATION (CTLA)**  
Date: **MARCH 31, 2014**

Re: **SUPPORT FOR RAISED BILL 5595 AN ACT CONCERNING  
COLLATERAL SOURCE PAYMENTS IN PERSONAL INJURY AND  
WRONGFUL DEATH ACTIONS AND REQUIRING DISCLOSURES  
UPON THE PURCHASE OF AN ANNUITY TO FUND PENSION  
BENEFITS**

Chairman Coleman, Chairman Fox and members of the Committee:

On behalf of the Connecticut Trial Lawyers' Association I write in support of Raised Bill 5595. The bill serves to clarify and confirm that all private health insurers or private providers of medical benefits in the state of Connecticut are treated the same when it comes to collateral source reductions after jury verdicts. It provides certainty to litigants - plaintiffs and defendants, liability insurers and most importantly judges in dealing with the issue of the proper treatment of collateral source benefits received by the plaintiff.

Under our existing collateral source statutes, after a jury verdict in a personal injury or wrongful death case the trial judge reduces the verdict by an amount equal to all "collateral sources" as defined by statute. For example, if the jury compensates a plaintiff for a particular medical expense, and that expense was paid by some private insurer or benefit provider, the plaintiff does not recover that medical expense twice - once from her private insurer and again from the liable party's insurer. The trial judge will reduce the verdict by the amount paid by the plaintiff's private insurer - known as a "collateral source". To counterbalance this fair system, however, the private entity that paid the medical expense is not permitted to dip into the plaintiff's settlement to recover that payment. This is so as it would be unfair to take the same money from the plaintiff twice. This legislation clarifies and confirms that payments made by private benefit providers who insure Medicaid beneficiaries are treated the same as all other collateral sources.

The bill serves to reaffirm that uniform treatment should be provided to every private benefit provider - with no special treatment, exceptions or loopholes available to private health benefit providers. The bill will eliminate any uncertainty and deter unnecessary litigation over the assertion of liens by private insurers while at the same time leaving unchanged and in place, for example, the state's right to assert liens under existing statutes as well as the right of providers of workers' compensation benefits to recapture their expenditures.

In the past some private carriers have argued that they have special rights which have complicated and prolonged post-verdict proceedings for the court system and the parties. This clarifying legislation makes clear that the same rule applies to every private benefit provider without exception.

**The CTLA urges passage of this common sense legislation.**