



PEDRO E. SEGARRA
MAYOR

Testimony of
Mayor Pedro E. Segarra
Before
The Insurance and Real Estate Committee

House Bill 6866- AN ACT LIMITING PRIVATE PASSENGER NONFLEET AUTOMOBILE INSURANCE
UNDERWRITING FACTORS AND INCREASING THE MOTOR VEHICLE MINIMUM AMOUNT OF
PROOF OF FINANCIAL RESPONSIBILITY FOR PROPERTY DAMAGE

March 6, 2015

Senator Crisco, Representative Megna and members of the Insurance and Real Estate committee, I thank you for the opportunity to testify in support of House Bill 6866 "An act limiting private passenger nonfleet automobile insurance underwriting factors and increasing the motor vehicle minimum amount of proof of financial responsibility for property damage"

My name is Pedro Segarra, Mayor of the City of Hartford. I am here today to encourage the passage of House Bill 6866 with specific attention to section (1.B.4) which seeks to regulate the underwriting factors for nonfleet automobile insurance.

Residents of Connecticut experience some of the highest premiums in the United States. Connecticut has the second most costly auto insurance in New England and is ranked #9 in the Nation. Auto insurance rates are based in part by the individual's geographic location. As a result, residents of Hartford and many other urban centers in Connecticut, experience some of the highest premiums in the state. Higher insurance premiums in Connecticut contribute to the nearly 10% of drivers currently uninsured in the state and increases economic hardship for all residents with a particularly heavy burden being placed on some of the state's poorest households.

In the past several years, insurance premiums have climbed nearly 12%. By regulating the determining factors that can be utilized to calculate insurance rates, we can stabilize the auto insurance premiums. Currently, factors such as credit record, age, sex, marital status, income,



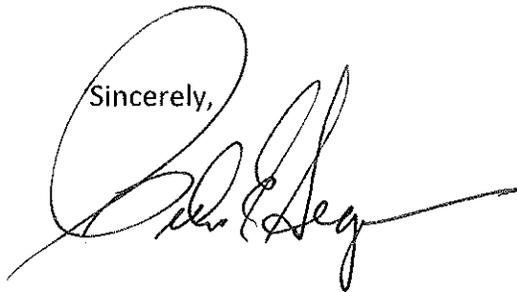
and education can be used to calculate insurance premiums. These factors have very little relevance to one's ability to be a consistently safe and responsible driver.

HB6866 section 1.b.4 limited the factors used to calculate insurance premiums to three:

- 1) driving history,
- 2) length of driving experience, and
- 3) average annual amount of miles driven.

A report by the Consumer Federation of America in 2008 found that California consumers realized \$61.8 billion in savings since the passage of Proposition 103, which limited the factors used to calculate insurance premiums to those three factors, in 1988. The adoption of those same three factors here in Connecticut would result in residents experiencing a substantial financial savings. These financial savings from reduced insurance premiums would provide more financial freedom to Connecticut's hard working families. This would also decrease the number of uninsured drivers currently utilizing our roadways creating a better transportation environment for us all.

Sincerely,

A handwritten signature in black ink, appearing to read "Pedro E. Segarra". The signature is written in a cursive style with a large, looping initial "P" and a long horizontal stroke at the end.

Pedro E. Segarra
Mayor