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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

March 6, 2015

Senator Crisco, Representative Megna and members of the Insurance and Real Estate committee, we write in support of passage 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”

In the wake of the Great Recession, many Connecticut residents continue to face substantial economic hardship. We believe it is vital that any opportunity to provide the people of Connecticut with decreases in their cost of living must be explored and adopted. We 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. Its passage would yield substantial financial savings to the people of Connecticut.

Connecticut has the second most costly auto insurance in New England and residents experience the 9th highest rates in the nation. Inflated insurance premiums based on the policy holder’s personal information, not only represent an overwhelming monthly expenditure for Connecticut’s poorest families, but also endanger our communities by increasing the number of uninsured drivers on our roads. Higher insurance premiums in Connecticut contribute to the nearly 10% of drivers currently uninsured in the state.

The issue of transportation is a primary obstacle for a huge percentage of inner city applicants in the construction trade. It is often an insurmountable roadblock for a job opportunity that holds the promise of a clear path to economic independence. Any help we can give this population to get into a job is a great thing for the state economy and taxpayers.

In the past several years, insurance premiums have climbed nearly 12%. We believe that by regulating the determining factors that can be used to calculate insurance rates, we can stabilize the auto insurance premiums and provide some measure of financial relief to Connecticut’s hardworking residents. 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) limits 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.

We believe that by limiting the factors used to calculate insurance premiums, we can secure two significant victories for the people of Connecticut. First, we will establish a safer transportation system by increasing our rate of insured drivers. Second, we will provide Connecticut residents with a desperately needed financial savings and increased economic stability. We believe that Connecticut is an exceptional place to live and work, filled with vast opportunities that are strengthened by the thousands of residents committed to investing in its future. We believe that this investment by the people of Connecticut should be repaid wherever possible through providing them with opportunities to increase their financial freedom. The undersigned believe that 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” would provide some measure of financial relief to the people of Connecticut and submit this letter as a demonstration of our strong support for its passage.

Respectfully Submitted,

Timothy J Sullivan
Organizer New England Regional Council of Carpenters