



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

**Testimony of the
Connecticut Insurance Department
Before
The Insurance and Real Estate Committee
March 5, 2015**

Raised Bill No. 6870 AN ACT CONCERNING THE CONNECTICUT UNFAIR INSURANCE PRACTICES ACT.

Chairmen Crisco and Megna, Ranking Members Kelly and Sampson, and Members of the Committee, the Insurance Department appreciates the opportunity to submit written testimony on Raised Bill No 6870.

H.B. 6870 would make it an unfair insurance practice to (1) state or imply that if an insured declines a settlement, the insured must institute litigation to recover amounts due under an insurance policy, and (2) fail to refund an overpayment of premium to an individual health insurance policyholder not later than thirty days after such policy is cancelled.

The Department appreciates the intention of Section 1 of H.B. 6870, to eliminate a carriers' ability to require an insured to sue to recover in cases where the insured rejects the insurer's claim settlement. However, the Department feels this consumer protection can already be found under 38a816-6 f and g.

The Department strongly supports Section 2 of this bill which would amend section 38a-816 of the Insurance Statutes. The Department's Consumer Affairs Unit has received complaints in the past from consumers stating that refunds are being held by some carriers as long as 90 days after notice of cancellation. This is a strong consumer protection provision and is intended to correct industry behaviors and promote prompt payments to policyholders.

The Department thanks the Committee for the opportunity to provide testimony on H.B. 6870.

About the Connecticut Insurance Department: The mission of the Connecticut Insurance Department is to protect consumers through regulation of the industry, outreach, education and advocacy. The Department recovers an average of more than \$4 million yearly on behalf of consumers and regulates the industry by ensuring carriers adhere to state insurance laws and regulations and are financially solvent to pay claims. The Department's annual budget is funded through assessments from the insurance industry. Each year, the Department returns an average of \$100 million a year to the state General Fund in license fees, premium taxes, fines and other revenue sources to support various state programs, including childhood immunization.