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INSURANCE ASSOCIATION OF CONNECTICUT

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Statement

Insurance Association of Connecticut

Insurance and Real Estate Committee

**SB 30, An Act Requiring Automobile Insurance Companies
To Provide A Choice Of Payment For Refunds.**

January 29, 2015

I am Eric George, President of the Insurance Association of Connecticut (IAC). IAC opposes SB 30, An Act Requiring Automobile Insurance Companies To Provide A Choice Of Payment For Refunds. SB 30 would require insurers to provide insureds with a choice of a policy credit or a refund check when the insured removes an automobile from an automobile insurance policy.

Automobile insurers make a variety of coverage changes for insureds on a regular basis. Under current practice, future installment payments are revised to reflect the effect of the particular change.

SB 30 would require insurers to also offer the insured, as an alternative, a refund check when the insured drops a vehicle from the policy. Cutting and delivering such a check would be much more costly and time consuming for insurers to implement than establishing a credit on the next premium bill. Those costs would have to be incurred even though the refund amount may be relatively small.

9.17.17

The current system of providing policy credits is quick, convenient and administratively efficient. IAC believes the negative impact of increased and unnecessary transactional costs that would result from SB 30 would outweigh any potential benefit to consumers.

IAC urges rejection of SB 30. Thank you for the opportunity to present the IAC's viewpoint.