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STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony

Insurance and Real Estate Committee

January 29, 2015

Senate Bill 69 – An Act Concerning Personal Risk Rate Filings.

Senator Crisco, Representative Megna, and members of the Insurance and Real Estate Committee, the Insurance Department appreciates the opportunity to submit written testimony on raised **Senate Bill No. 69: An Act Concerning Personal Risk Rate Filings.**

Raised Bill No. 69 extends the sunset date for the “flex rating” law for personal risk insurance from July 1, 2015 to July 1, 2017. Under the flex rating law, insurers may file new personal risk insurance rates with the Insurance Commissioner and begin using them immediately if the insurer’s rates increase or decrease on a state-wide basis by no more than 6% and no more than 15% for any individual rating territory.

The personal lines market in Connecticut is very competitive, as evidenced by the fact that well over 100 companies are writing such business in this state. This robust market results in significant price savings for consumers as carriers compete for market share.

Since 2013, average statewide changes for auto and homeowner rates have averaged under 3.0% and 5.8% respectively.

The Insurance Department supports the extension of “flex rating law”. However, the Department suggests that the Insurance Committee consider amending the bill to extended the sunset provision from two years to five years in order to promote a greater sense of regulatory continuity and predictability upon which businesses thrive and consumers benefit.

The Department thanks the Insurance Committee Chairs and members for the opportunity to submit testimony on Senate Bill 69.

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.