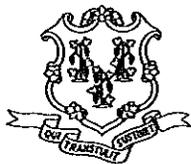


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STATE OF CONNECTICUT

INSURANCE DEPARTMENT



Testimony

Insurance and Real Estate Committee

February 10, 2015

Raised Bill No. 5195 AN ACT REQUIRING UNINSURED AND UNDERINSURED MOTORIST COVERAGE TO BE OPTIONAL AND REPEALING THE PROHIBITION ON SUBROGATION OF UNDERINSURED MOTORIST CLAIMS.

Chairmen Crisco and Megna, and members of the Insurance and Real Estate Committee, the Insurance Department appreciates the opportunity to provide written testimony regarding H.B. 5195:

The Department respectfully opposes H.B. 5195, as it believes not requiring an individual to carry uninsured/underinsured coverage would be contrary to sound public policy. Statistics provided by the Insurance Research Institute indicate that 8%-12% of drivers on Connecticut highways are driving uninsured today. Therefore, it is important for drivers to have uninsured motorist coverage that affords them bodily injury protection to ensure that they are protected against the possibility of being injured in an accident with an uninsured motorist.

As you know, purchasing insurance is complicated and to expect individuals to understand the nuances of uninsured/underinsured coverage and why such coverage is needed can be challenging. Also, many individuals now purchase their insurance on line and this can easily lend itself to the consumer choosing the "cheapest" option. If this legislation were enacted, the Department can envision situations where consumers can easily and unknowingly forego purchasing a very important coverage for their protection. We encourage the committee to not support this change.

Lastly, should this bill proceed out of committee we would request that the provisions under section 3 be removed as we do not see the relevance of requiring all companies to file revised rates. No longer requiring uninsured motorist coverage does not necessarily lower the rates. Only over time as experience is developed could a company file rate revisions to reflect any potential decreases OR increases in the uninsured motorist rates.

Thank you for your consideration, we look forward to working with you on this legislation.

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.