



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

### Testimony to Public Safety & Security Committee March 3, 2015

#### **Raised H.B. No. 6914: AN ACT CONCERNING DEMOLITION LICENSURE AND DEMOLITION PERMITS.**

Senator Larson, Representative Dargan, Senator Guglielmo, Representative Zupkus and distinguished members of the Public Safety & Security Committee, the Insurance Department thanks the Committee for raising, H.B. 6914: **An Act Concerning Demolition Licensure and Demolitions Permits**, at the request of the Department of Administrative Services.

The Insurance Department supports H.B. 6914, as it serves to remove the conflict between the recently enacted Public Act 14-74 (codified at CGS § 38a-322a) and the Public Safety statute CGS § 29-406.

P.A. 14-74 codified an Insurance Department Bulletin, S-14. Among other things, P.A. 14-74 prohibits anyone from using property and casualty insurance “certificates of insurance” to confer new or additional rights to anyone beyond those covered by the underlying policy.

Bulletin S-14 and subsequently P.A. 14-74 came about, in part, because of an inappropriate business practice in which some businesses and municipalities were requiring producers to include information, such as a third party hold harmless provision, that were not included in the underlying insurance contract. As such these insurance certificates often did not accurately reflect the issued policy.

We appreciate passage of Public Act 14-74 and hope that the proposed changes to the Public Safety statutes found in H.B. 6914 will assist the demolition industry. This Insurance Department thanks the Committee for the opportunity to provide testimony and urges the passage of H.B. 6914.

**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.