



Senate

General Assembly

File No. 24

February Session, 2016

Senate Bill No. 31

Senate, March 10, 2016

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE DISCLOSURE OF FEES FOR THE PROCESSING OF PERSONAL AND COMMERCIAL RISK INSURANCE POLICY PREMIUM PAYMENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2016*) Each insurer that
2 delivers, issues for delivery, renews, amends or endorses a personal
3 risk or commercial risk insurance policy, as both terms are defined in
4 section 38a-663 of the general statutes, on or after October 1, 2016, shall
5 disclose to an applicant and each insured any fees for the processing of
6 premium payments charged by such insurer or other entity that
7 provides billing services to such insurer. The insurer or other entity
8 that provides billing services to an insurer shall conspicuously display
9 any such fee on each premium billing notice.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2016</i>	New section
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INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill requires insurers to disclose certain fees for the processing of premium payments. As the bill concerns private insurance transactions, there is no state or municipal fiscal impact.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**SB 31*****AN ACT CONCERNING THE DISCLOSURE OF FEES FOR THE PROCESSING OF PERSONAL AND COMMERCIAL RISK INSURANCE POLICY PREMIUM PAYMENTS.*****SUMMARY:**

This bill requires personal and commercial risk insurers (see BACKGROUND) to disclose to applicants and insureds any fees they or their billing service providers charge to process premium payments. It requires insurers or their billing service providers to conspicuously display such fees on each premium bill sent to an insured.

The bill applies to insurers that deliver, renew, amend, or endorse personal or commercial risk insurance policies on or after October 1, 2016.

EFFECTIVE DATE: October 1, 2016

BACKGROUND***Personal and Commercial Risk Insurance***

By law, personal risk insurance is homeowners, tenants, private passenger nonfleet automobile (i.e., personal cars), and mobile manufactured home insurance, and other property and casualty insurance for personal, family, or household needs. Personal risk insurance does not include workers' compensation insurance. Commercial risk insurance is generally any insurance other than personal risk, reinsurance, life, and accident and health insurance. Commercial risk insurance also excludes aircraft, vessel, and craft insurance, including cargo or other risks commonly insured under marine policies.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 12 Nay 7 (03/01/2016)