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HB 5594, AN ACT IMPOSING A SURCHARGE ON CERTAIN PERSONAL RISK INSURANCE POLICIES TO FUND REGIONAL FIRE SCHOOLS' OPERATING BUDGETS AND CERTAIN FIREFIGHTER TRAINING COSTS AND PURCHASES OF FIRE EQUIPMENT.

Statement of the American Insurance Association

March 9, 2016

The American Insurance Association is a leading national trade association representing approximately 325 major property and casualty insurance companies that collectively underwrite nearly \$117 billion annually in direct property and casualty premiums nationwide. AIA member companies write approximately thirty percent of the homeowners' insurance market in Connecticut.

AIA must respectfully oppose House Bill 5594, which would impose a one percent surcharge on the net direct premiums of homeowners and renters insurance policies written by insurance companies on property or risks located or resident in the state, to fund the operating budgets of regional fire schools, certain training costs and fees and purchases of fire equipment. While we are sympathetic to the needs of firefighters in Connecticut, we are concerned that the proposed changes would have a negative impact on consumers.

We have serious concerns that this new proposal amounts to nothing more than a new tax on all homeowners and renters in Connecticut. In fact, this can even be viewed as a double taxation because these policyholders already pay for fire services through their state and municipal taxes. To be clear, although we certainly support additional training and equipment for firefighters, we believe that it is wholly inappropriate to rely on one segment of the population to fund such activities. Instead of singling out homeowners/renters by imposing an additional tax on policies, we believe that it makes more sense for this important function to either be covered through general taxation or through additional appropriations allocated during the state budget process.

HB 5594 is unfair to homeowners and would be problematic to the homeowners' insurance markets in Connecticut. Thank you for the opportunity to provide comments and share our concerns on this issue. For the foregoing reasons, AIA urges the Committee to reject HB 5594.

Alison Cooper
Regional Vice President, Northeast Region