

Insurance and Real Estate Committee JOINT FAVORABLE REPORT

Bill No.: HB-5206

Title: AN ACT CONCERNING INSURANCE ISSUES.

Vote Date: 3/20/2018

Vote Action: Joint Favorable Substitute

PH Date: 2/27/2018

File No.:

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

The purpose of the bill is to allow the Insurance Commissioner to adopt regulations concerning statutes in Title 38a: Authorize the Insurance Commissioner to adopt regulations concerning electronic filing, (2) modify the approval process for proposed domestic insurers, (3) subject fraternal benefit societies to certain requirements of the National Association of Insurance Commissioners' Valuation Manual, (4) authorize the commissioner to prescribe nonforfeiture benefits for contingent deferred annuities, (5) clarify statutory provisions concerning filing fees charged to fraternal benefit societies, (6) specify that both present and former officers of an insurer must cooperate with investigations conducted by the commissioner, (7) modify the duties of insurance agents, and (8) repeal a provision concerning delinquency proceedings

Substitute Language:

Section 1 substantive changes

Lines 218 and 234 add "such annual statement" after "[the same]"

Line 266 adds "as used in this section includes" after "include"

Line 269 add "and to 'cooperate' includes" after include,]

Line 270 add "is" between after "shall

Line 274 add "the person's possession" after "his"

Line 279 delete “that” after “he]”

Line 301 add “who fails to” after “compliance]”

RESPONSE FROM ADMINISTRATION/AGENCY:

State of Connecticut Insurance Department supports this bill because it is the Department’s technical bill and would make minor and technical changes to various statutes in Title 38a. In Section 1 the Department requests this section to be modified to remove the requirement for the Commissioner to adopt regulations and to give the Commissioner the authority to order or direct the filing be made electronically or to request an exemption from electronic filing.

In section 2 they request it be amended to require non-domestic insurer to obtain the approval of the Commissioner for the transfer of its domicile to Connecticut.

In section 3 they request it is amended to delete the exemption for fraternal benefit societies with respect to adherence to the manual of valuation instructions adopted by the NAIC.

In section 4 and 5 to amend CGS 38a-440 to exempt contingent deferred annuities from the current nonforfeiture requirements and authorize the Commissioner to prescribe CDA-specific nonforfeiture requirements by regulation in the future.

In section 6, 7, and 8 to correct an inconsistency in the statutes regarding filing fees of fraternal benefit societies and clarify the fee is \$20.

In section 9 clarify the duty of officers, managers, directors, etc. to cooperate with receiver, by making it expressly apply to the insurer’s “present or former” officers, managers, directors, etc.

In section 10 is amended to remove verbiage that relates to the prior version of the statutes. In Section 11 to repeal an obsolete section.

NATURE AND SOURCES OF SUPPORT:

None Expressed

NATURE AND SOURCES OF OPPOSITION:

None Expressed

Reported by: Diane Kubeck

Date; March 27,2018