



House of Representatives

General Assembly

File No. 352

January Session, 2019

House Bill No. 7262

House of Representatives, April 3, 2019

The Committee on Insurance and Real Estate reported through REP. SCANLON of the 98th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE USE OF GENETIC INFORMATION AND TESTING BY LIFE INSURANCE COMPANIES.

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

1 Section 1. (NEW) (*Effective October 1, 2019*) (a) For the purposes of
2 this section:

3 (1) "Genetic information" means any information concerning the
4 genes, gene products or inherited characteristics of an individual; and

5 (2) "Genetic testing" means any service or procedure that is used to
6 collect genetic information concerning an individual.

7 (b) No life insurance company doing business in this state shall:

8 (1) Request or require, directly or indirectly, an individual or a
9 member of an individual's family to undergo genetic testing, or reveal
10 the results of any genetic testing concerning such individual or family
11 member, as a precondition to (A) accepting an application for life
12 insurance coverage or an annuity contract in this state, or (B)

13 delivering, issuing for delivery or renewing a life insurance policy or
 14 annuity contract in this state; or

15 (2) Deny or refuse to accept an application for life insurance
 16 coverage or an annuity contract, refuse to renew, cancel, rescind,
 17 restrict or otherwise terminate a life insurance policy or annuity
 18 contract, or make any distinction or discrimination between
 19 individuals as to the premiums or rates charged for life insurance
 20 policies or in the dividends and other benefits payable on such policies
 21 and annuity contracts in this state on the basis of genetic information.

22 Sec. 2. Subdivision (9) of section 38a-816 of the general statutes is
 23 repealed and the following is substituted in lieu thereof (*Effective*
 24 *October 1, 2019*):

25 (9) Any violation of any one of sections 38a-358, 38a-446, 38a-447,
 26 38a-488, 38a-825, 38a-826, 38a-828, [and] 38a-829 and section 1 of this
 27 act. None of the following practices shall be considered discrimination
 28 within the meaning of section 38a-446 or 38a-488 or a rebate within the
 29 meaning of section 38a-825: (A) Paying bonuses to policyholders or
 30 otherwise abating their premiums in whole or in part out of surplus
 31 accumulated from nonparticipating insurance, provided any such
 32 bonuses or abatement of premiums shall be fair and equitable to
 33 policyholders and for the best interests of the company and its
 34 policyholders; (B) in the case of policies issued on the industrial debit
 35 plan, making allowance to policyholders who have continuously for a
 36 specified period made premium payments directly to an office of the
 37 insurer in an amount which fairly represents the saving in collection
 38 expense; and (C) readjustment of the rate of premium for a group
 39 insurance policy based on loss or expense experience, or both, at the
 40 end of the first or any subsequent policy year, which may be made
 41 retroactive for such policy year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2019	New section

Sec. 2	October 1, 2019	38a-816(9)
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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:

Agency Affected	Fund-Effect	FY 20 \$	FY 21 \$
Insurance Dept.	GF - Potential Revenue Gain	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a potential minimal revenue gain to the General Fund to the extent additional fines or penalties are assessed for violations of the Connecticut Unfair Insurance Practices Act (CUIPA). The bill prohibits life insurers from using genetic testing and genetic information under certain conditions, and makes such actions a violation of CUIPA. There is no anticipated cost to the Insurance Department for enforcement, as the agency already has the expertise.

CUIPA fines are up to \$5,000 per violation, or up to \$25,000 if knowingly committed. There is also a fine of up to \$50,000 for violating a cease and desist order.

The Out Years

The annualized ongoing fiscal impact identified above will continue into the future, based on the number and type of violations.

Sources: Connecticut Insurance Department

OLR Bill Analysis**HB 7262*****AN ACT CONCERNING THE USE OF GENETIC INFORMATION AND TESTING BY LIFE INSURANCE COMPANIES.*****SUMMARY**

This bill prohibits life insurers doing business in Connecticut from requesting or requiring genetic testing or revealing genetic testing results as a precondition to applying for, purchasing, or renewing a life insurance policy or an annuity. It also prohibits such life insurers from offering different premiums, rates, dividends, or benefits based on genetic information (i.e., information about a person's genes, gene products, or inherited characteristics).

The bill makes a violation of its provisions a Connecticut Unfair Insurance Practices Act (CUIPA) violation (see BACKGROUND).

EFFECTIVE DATE: October 1, 2019

PROHIBITED ACTIONS

The bill prohibits a life insurer doing business in the state from the following:

1. requesting or requiring, directly or indirectly, a person or a family member to undergo genetic testing or reveal genetic testing results as a precondition to (a) applying for life insurance or an annuity or (b) delivering, issuing, or renewing a life insurance policy or annuity contract in the state and
2. denying or not accepting an application; refusing to renew a policy or contract; canceling, rescinding, restricting, or otherwise terminating a policy or contract; or discriminating between people as to premiums, rates, dividends, or benefits on the basis of genetic information.

BACKGROUND***Connecticut Unfair Insurance Practices Act***

CUIPA prohibits engaging in unfair or deceptive acts or practices in the business of insurance. It authorizes the insurance commissioner to conduct investigations and hearings, issue cease and desist orders, impose fines, revoke or suspend licenses, and order restitution for per se violations (i.e., violations specifically listed in statute). The law also allows the commissioner to ask the attorney general to seek injunctive relief in Superior Court if he believes someone is engaging in other unfair or deceptive acts not specifically defined in statute.

Fines may be up to (1) \$5,000 per violation to a \$50,000 maximum or (2) \$25,000 per violation to a \$250,000 maximum in any six-month period if the violation was knowingly committed. The law also imposes a fine of up to \$50,000, in addition to or in lieu of a license suspension or revocation, for violating a cease and desist order.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 13 Nay 7 (03/14/2019)