



Joint Testimony of the American Council of Life Insurers
and the Insurance Association of Connecticut
before the Joint Committee General Law
Tuesday, March 12th, 2019

House Bill 7159 – An Act Addressing Opioid Use - Support

Chair Fonfara, Chair D’Agostino, and members of the Joint Committee on General Law, the American Council of Life Insurers (ACLI) and the Insurance Association of Connecticut (IAC) appreciate the opportunity to offer the following statement of support on House Bill 7159, which would prohibit life insurance or annuity policies from excluding coverage solely on the basis of receipt of a prescription for naloxone. ACLI and IAC members are the leading writers of life insurance, annuities, disability income and long-term care insurance and supplemental benefit insurance here in Connecticut and across the country.

As an industry dedicated to promoting long, healthy lives, the staggering loss of life resulting from the opioid epidemic strikes at the nation’s overall well-being and the core of our industry. Life insurers laud the families and medical professionals at the forefront of combating this crisis.

Life insurers support the efforts of “good Samaritans” to prevent loss of life due to opioid overdose. We also support the use of “Standing Orders” that make the anti-overdose drug naloxone more accessible to prevent loss of life.

The opioid epidemic has raised questions about good Samaritans who have prescriptions for naloxone and how that may impact their ability to obtain life insurance coverage. The clearer the picture life insurers have of applicants’ medical situations, the more accessible and affordable coverage is for all.

While life insurers fully support the use of naloxone by good Samaritans, information on an applicant’s medical record or prescription history report about a prescription for naloxone may prompt additional questions and a deeper review of the request for coverage and reason for the prescription. Indeed, a life insurer would not be doing its job of assessing the risks it assumes on behalf of current and future policyholders if it did not notice and evaluate such a prescription. That is why life insurers ask applicants to provide all medically relevant information when seeking coverage.

Life insurers’ risk-assessment process, called underwriting, is governed by state laws barring unfair trade practices. Companies must underwrite based upon sound actuarial principles and reasonably anticipated loss experience. That means that insured people with similar characteristics should pay the same premiums for the same coverage. Life insurers rely on a variety of factors when determining whether to provide coverage to an applicant and what to charge for premiums. These factors generally include an applicant’s age, height and weight, blood pressure, cholesterol, blood sugar, smoking status and medical history, among other factors.

Any person denied coverage for any reason should know that America's life insurers are in the business of providing people the financial protection they want and need and seek ways to offer coverage to as many people as possible. Indeed, the life insurance industry is very competitive, with more than 700 life insurers in the United States working to serve consumers' financial needs. Establishing their own underwriting criteria in accordance with relevant state laws is one way individual companies can differentiate themselves from their competitors. As a result, insurers might evaluate the same applicant differently and, therefore, make different decisions on issuance and pricing. We recommend that applicants shop around to find the best policy for them.

Life insurers want to help those on the front lines of the opioid crisis and all Americans address their financial protection and retirement security needs.

In its current form, we believe the bill helps those on the front lines of the opioid crisis while allowing life insurers to ask applicants medically relevant information when seeking coverage. The ACLI and the IAC support the language used in the bill.

We encourage the committee to consider passing the legislation.

We appreciate the opportunity to provide our comments on H.B. 7159.