



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony Insurance and Real Estate Committee March 3, 2020

Senator Lesser, Representative Scanlon, Senator Kelly, Representative Pavalock-D'Amato and members of the Insurance and Real Estate Committee. My name is Andrew Mais, Commissioner of the Insurance Department. Thank you for the opportunity to testify in support of our agency bill:

Raised Bill No. 5365, AN ACT CONCERNING THE INSURANCE DEPARTMENT'S RECOMMENDATIONS REGARDING THE PUBLIC HEALTH FEE, THIRD PARTY PERFORMANCE OF THE DEPARTMENT'S EMPLOYEES' DUTIES, THE INSURANCE DATA SECURITY LAW, AND ASSESSMENTS AGAINST DOMESTIC INSURANCE COMPANIES AND ENTITIES.

The core mission of the Connecticut Insurance Department is consumer protection. The Department carries out its mission by enforcing State insurance laws to ensure that policyholders and claimants are treated fairly, as well as by closely monitoring the financial condition of insurance carriers to make certain that they are solvent, appropriately manage risk, and are able to pay policy claims as they arise.

This bill is the Department's technical bill, there are four sections within the bill.

Section one regarding the public health fee, will allow the department to impose a late filing fee of one hundred dollars per day for insurers or health care centers that fail to submit the number of insured or enrolled lives by September 1st. This section will also impose a civil penalty of not more than fifteen thousand dollars for other than good faith discrepancy in the number of lives reported by domestic health insurers and domestic health care centers to the Department for purposes of calculating the public health fee assessed by the Commissioner. This section will create parity between the Public Health Fee and Vaccination Assessment by adding the same provision currently in CGS §19a-7j.

Section two concerns engagement of service providers to assist the Commissioner in the financial analysis of insurers, review of insurer license applications and transactions within a holding company system. This legislation removes obsolete language that specifies that "No duties of a person employed by the Insurance Department on November 1, 2002, shall be performed by such attorney, actuary, accountant or expert". This will give the Department more flexibility to access expertise to supplement **not** replace its staff when needed in the area of financial regulation, and thereby assist the Department in maintaining accreditation by the NAIC.

Section three regarding the insurance data security law makes various technical changes. Some of the changes in this section are for consistency purposes with the NAIC *Insurance Data Security Model Law*, revision to definitions, and language clarification.



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Finally, section four regarding the assessment of domestic insurance companies for the expenditures of the Insurance Department, will give companies the option to pay their entire assessment fee in one payment rather than in installments are currently required by CGS 38a-48.

I would like to thank the Insurance and Real Estate Committee for raising this bill on the Department's behalf and for allowing me to provide testimony today. I am happy to answer any questions.