

# Insurance and Real Estate Committee

## JOINT FAVORABLE REPORT

**Bill No.:** HB-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

**Title:** DOMESTIC INSURANCE COMPANIES AND ENTITIES.

**Vote Date:** 3/10/2020

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/3/2020

**File No.:**

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

### **SPONSORS OF BILL:**

Insurance and Real Estate Committee

### **REASONS FOR BILL:**

Raised Bill 5365

The bill was brought into existence to achieve four things with the goal of strengthening Connecticut's healthcare and insurance system as a whole. This would be done by putting in place a fine on companies for late filling of their insured numbers but also allowing them to change their payment schedule and even pay it off completely. Most importantly the bill updates Connecticut's aging and outdated cyber security laws and definitions to match the current times.

Proposed Substitute Bill 5365

The same as above but some definitions and sections were adjusted particularly with cyber security.

### **RESPONSE FROM ADMINISTRATION/AGENCY:**

State of Connecticut Insurance Department supports the bill as it imposes fines on insurance companies for not submitting their number of insured on time, assists the Insurance commissioner in analysis of insurers, updates the cyber security laws language, and gives companies an option to pay their entire assessment fee in one payment.

### **NATURE AND SOURCES OF SUPPORT:**

Connecticut Association of Health Plans supports the bills and appreciates the section on data and security and looks forward to working with the department.

Eric George, President, Insurance Association of Connecticut supports the bill with the stipulations that certain provisions of the cyber security act need clarification.

### **NATURE AND SOURCES OF OPPOSITION:**

**John Disette, President and CEO, A&R Employees Union Local 4200** opposes the bill to specifically call for the removal of language from subsection D of 38a-8 lines 85-87. The existing subsection is designed to protect the integrity of the state's regulatory functions. The proposed language would remove these protections and diminish the states strong regulatory albites.

**Reported by: Lawrence Sanchez**

**Date: 04/22/2020**