

Insurance and Real Estate Committee

SENATE FAVORABLE REPORT

Bill No.: SB-210

AN ACT CONCERNING THE INSURANCE DEPARTMENT'S
RECOMMENDATIONS REGARDING HOMEOWNERS INSURANCE, CREDIT
LIFE INSURANCE, CREDIT ACCIDENT AND HEALTH INSURANCE AND

Title: INSURANCE PRODUCERS.

Vote Date: 3/10/2020

Vote Action: Joint Favorable

PH Date: 2/25/2020

File No.:

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

The bill requests changes as follows made by the Department of Insurance (1) specify the manner in which certain insurers must cancel certain homeowners insurance policies, (2) require the Insurance Commissioner to disapprove certain credit life insurance and credit accident and health insurance forms if the loss ratios contained in such forms do not satisfy certain criteria, and (3) reduce the total number of hours of study that an applicant for an insurance producer license must successfully complete for each line of insurance for which such applicant is seeking such license.

RESPONSE FROM ADMINISTRATION/AGENCY:

This is the Department's omnibus bill. This bill consists of four sections.

Section 1 will strengthen consumer protection by codifying provisions in statute for the cancellation of a homeowner's insurance policy and clarifying the process for notifying consumers of such cancellation. The bill would codify existing Department administrative policy for homeowner insurance cancellations and provide transparency to insurers and consumers concerning the specific reasons for a homeowner's policy cancellation.

Section 2 and 3 of the bill will establish a loss ratio requirement of no less than fifty percent for credit life insurance and credit accident and health insurance policies. There is currently no loss ratio for such policies, and as a result, Connecticut has one of the lowest loss ratios in the nation. The average loss ratio across the country hovers at or around fifty percent. This section will positively impact consumers because insurers will have to lower premiums in order to comply with the loss ratio.

Section 4 of this bill will lower the course requirement applicants for producer license must complete from forty hours per line to twenty hours. This will bring Connecticut in compliance with the current National Association of Insurance Commissioner's (NAIC) uniform licensing standards which require twenty hours of pre-licensing education per major line of authority.

NATURE AND SOURCES OF SUPPORT:

None Expressed

NATURE AND SOURCES OF OPPOSITION:

Warren Ruppard – President, Independent Insurance Agents of CT, Inc. – opposed to fewer hours of education for license exams section

[Click [here](#) and Enter Nature and Sources of Opposition]

Reported by: Dawn Marzik

Date: April 15, 2020