

# Insurance and Real Estate Committee

## SENATE FAVORABLE REPORT

**Bill No.:** SB-343  
**Title:** AN ACT CONCERNING FINANCIAL PLANNERS AND THE CONNECTICUT UNFAIR INSURANCE PRACTICES ACT.  
**Vote Date:** 3/10/2020  
**Vote Action:** Joint Favorable  
**PH Date:** 3/10/2020  
**File No.:**

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### SPONSORS OF BILL:

Insurance and Real Estate Committee

### REASONS FOR BILL:

This bill will require each financial planner doing business in this state to disclose to a consumer in this state, upon request, whether or not such financial planner has a fiduciary duty to such consumer for each recommendation that such financial planner makes to such consumer regarding insurance; and (2) provide that any failure to make such disclosure constitutes a violation of the Connecticut Unfair Insurance Practices Act.

### RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

### NATURE AND SOURCES OF SUPPORT:

**Financial Planning Association** stated under Connecticut General Statutes §36a-860 et seq. - already regulate persons who hold themselves out as financial planners. The FPA® believes that there should also be protections for consumers under our insurance laws; because financial planning very frequently involves professional advice regarding investment products as well as insurance products. Subsection 2(b) of Senate Bill 343 closely tracks the banking statute and states: (b) A financial planner doing business in this state shall disclose to a consumer in this state, upon request, whether or not such financial planner has a fiduciary duty to such consumer for each recommendation that such financial planner makes to such consumer regarding insurance. The FPA® of Connecticut supports this provision which is very helpful to consumers and their families. We also support the penalty provision (unfair insurance practice) contained in Section 3. Financial planning is a very serious business; and Connecticut families should be confident that people who don't provide fair and honest advice and services will be penalized.

### NATURE AND SOURCES OF OPPOSITION:

None Expressed

**Reported by:** Diane Kubeck

**Date:** March 20,2020

