

OFFICE OF FISCAL ANALYSIS

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<http://www.cga.ct.gov/ofa>

HB-6590

AN ACT PROHIBITING CERTAIN INSURANCE DISCRIMINATION AND ESTABLISHING A TASK FORCE TO STUDY INSURANCE COSTS BORNE BY BUSINESSES LOCATED IN DISTRESSED MUNICIPALITIES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Insurance Dept.	GF - Potential Revenue Gain	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a potential minimal revenue gain to the General Fund, to the extent the Insurance Commissioner assesses additional fines or penalties for violations of the Connecticut Unfair Insurance Practices Act (CUIPA). The bill prohibits discrimination for certain insurance products on the basis of sexual orientation, gender identity, or being a victim of domestic violence and makes such discrimination a violation of CUIPA. CUIPA fines can range from \$5,000 per violation up to a maximum of \$250,000 in aggregate penalties per entity in any six-month period.

The bill also establishes a temporary task force to study the high insurance costs borne by businesses in distressed municipalities, and report on its findings. This will have no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would

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continue into the future.