

# Insurance and Real Estate Committee

## JOINT FAVORABLE REPORT

**Bill No.:** HB-6391

AN ACT CONCERNING THE INSURANCE DEPARTMENT'S

**Title:** RECOMMENDATIONS REGARDING THE GENERAL STATUTES.

**Vote Date:** 3/22/2021

**Vote Action:** Joint Favorable Substitute

**PH Date:** 2/11/2021

**File No.:**

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### SPONSORS OF BILL:

Insurance and Real Estate Committee

### REASONS FOR BILL:

this bill is raised to do a variety of tasks. first, to modify the reporting requirements by imposing a late fee and penalty to ensure the prompt and timeliness of filing. second, to eliminate an annual report from the insurance commissioner to the joint standing committee to reduce the delay time of reports. third, to update the insurance data security law to remain up to date and current. fourth, to update the payment schedule for assessments against domestic entities to ensure correct and timely payments. and lastly, to modify the procedures of external reviews of determinations. each of these tasks is put in place to keep the state insurance policies up to date and accurate regarding any changes to any of the above aspects.

### SUSTITUTE LANGUAGE:

Section 1 of the bill was amended to reflect the addition of the requirement to submit any records that were used for an annual report to the commissioner. It was also changed to include that any late annual reports will have a fee of \$100 per day attached. Part C was amended to state that there will be a civil penalty of not more than \$15,000 to anyone who does not report the accurate number of those insured by them. These adjustments were made due to the addition of these ideals.

In section 2, part b was removed due to a change in the commissioner submitting to the joint standing committee. This part was removed because this bill does no longer require the commissioner to report to the joint standing committee.

In section 3, part 6 was added to create confidentiality within information provided to certain parties. In part 7, the addition of language was required due to the new inclusion of more specified definition of "licensee." Part 9 was edited to include further definition of what each insurer is responsible for. Part 10 iv was amended to reflect new standards of compliance.

Section 4 was amended to include the allowance of one payment to the insurance commissioner when the first installment is due.

In section 5, 2A and 2B were removed as they are not relevant and included within this bill any longer. This caused sections 3, 4, 5, and 6 to be renumbered. In section 6-2, ii was added to assign an independent review organization. 6-4 B was created to address if the external review was accepted what the next steps were. All of part f was removed. All other changes to the bill and substitute language are grammatical changes as a result of the above adjustments.

**RESPONSE FROM ADMINISTRATION/AGENCY:**

**Andrew Mais, Commissioner, Connecticut Insurance Department:** stated that they support the bill for its dedication to consumer protection and the amendments it makes to last year's Department bill H.B. 5365.

**Ted Doolittle, Healthcare Advocate, Office of the Healthcare Advocate:** feels that section 5 will improve the speed and efficiency of the external review process, as well as remove a fee that consumers must pay to access the external review process. With these changes, more members would have further access to their insurance rights.

**NATURE AND SOURCES OF SUPPORT:**

**Eric George, President, Insurance Association of Connecticut:** stated they support the bill for its updates on cybersecurity and data privacy laws. Only asks that bill be effective upon passage, not effective October 1, 2021.

**Representative Mary M. Mushinsky, CT House of Representatives, 85<sup>th</sup> Assembly District:** supports the bill but suggest to amend the bill to require insurance carriers to compensate the owner of a stolen motor vehicle for personal property and equipment that was lost in the left, if it was reported to the claims adjuster

**NATURE AND SOURCES OF OPPOSITION:**

**Joseph Gura:** Asked in a written public hearing testimony that the bill be amended to require coverage of personal property lost and reported when the adjuster conducted the investigation.

**James Murray:** wrote a public hearing testimony in opposition of the bill as they believe it would limit consumer access to information related to potential or actual data privacy breaches

**Reported by:** Courtney Berry

**Date:** March 30, 2021