

Insurance and Real Estate Committee JOINT FAVORABLE REPORT

Bill No.: HB-6623

Title: AN ACT CONCERNING PROPERTY AND CASUALTY INSURANCE.

Vote Date: 3/22/2021

Vote Action: Joint Favorable Substitute

PH Date: 3/18/2021

File No.:

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SPONSORS OF BILL:

Rep. Dorinda Borer, 115th Dist.
Insurance and Real Estate Committee

REASONS FOR BILL:

The bill addresses concerns with insurance companies offering estimates and coverage and then changing the coverage and estimates that was originally proposed. The bill will also allow there to be updates on premium costs, a study of claims processing and a taskforce to understand how to best address concerns regarding insurance for parties involved.

Proposed Substitute Language

Section 2 was removed from the original bill due to concerns that the language was vague, and it is allowing people to opt out of insurance.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

None expressed.

NATURE AND SOURCES OF OPPOSITION:

American Property Casualty Insurance Association (APCIA) opposed the bill because it is unnecessary and could have unintended negative consequences. It can lead to circumstances where policy holders decline to purchase other structures coverage only to

find out that they lack necessary coverage following a loss. The bill can add unnecessary costs to the process of issuing quotes due to the various criteria's that determine property needs. The study included in the bill would determine claims processing which is unnecessary because insurers have an expedited process following a disaster.

Eric George, President, Insurance Association of Connecticut opposed the bill. Allowing a basic limit for types of assets helps ensure that insurers have protections for things not thought of, adequate protection and keeps costs down. The bill would cause coverage issues where there could be subject-risk shared liabilities exposures. Underwritings risks is a detailed process which takes time and is tailored to each consumer therefore if the process becomes automated it could come as an expense. The study is deemed unnecessary since the insurance industry is of the most highly regulated industries in Connecticut and the entire country.

Reported by: Christina Cruz

Date: 04/06/2021