

# Insurance and Real Estate Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-1050

**Title:** AN ACT CONCERNING NOTICES PROVIDED BY LIFE INSURERS.

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

**Vote Action:** Joint Favorable

**PH Date:** 3/18/2021

**File No.:**

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## **SPONSORS OF BILL:**

Insurance and Real Estate Committee

## **REASONS FOR BILL:**

This bill will require each insurer that delivers or issues an individual or group life insurance policy in this state to: (1) At least annually, give a written policy status notice to each beneficiary and owner of, person whose life is insured under and insurance producer who negotiated and sold such policy; and (2) send any notice cancelling such policy to each owner of such policy.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

None Expressed

## **NATURE AND SOURCES OF SUPPORT:**

None Expressed

## **NATURE AND SOURCES OF OPPOSITION:**

**Eric George, President, Insurance Association of CT** stated this bill can be quite burdensome and problematic for life insurance carriers. For group insurance the employer group is the recordkeeper and the insurer would not know who the beneficiary of the policy is until a claim is filed and the policyholder would be the employer-group not the individual insured.

For both individual and group life insurance, the requirements contained in SB 1050 would be intrusive. Specifically, an insured may not want the beneficiary to know that they are a beneficiary. If SB 1050 were to become law, it is likely that insureds will complain about such notices as there may be valid reasons why they did not want an individual to know they are a beneficiary. It is also important to know that life insurance carriers already need to comply with statutory notice requirements.

**Reported by: Diane Kubeck**

**Date: March 30, 2021**